

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

<b>IN RE:</b>	§	
	§	
<b>STEVEN BRICE WIBRACHT</b>	§	<b>CASE NO. 17-52300-RBK</b>
<b>AND ERIN MICHELLE WIBRACHT,</b>	§	<b>CHAPTER 7</b>
	§	
<b>DEBTORS.</b>	§	
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	§	
<b>TRAVELERS CASUALTY AND SURETY</b>	§	
<b>COMPANY OF AMERICA, PLAINTIFF</b>	§	
	§	
<b>v.</b>	§	<b>ADVERSARY PROCEEDING</b>
	§	<b>No. 18-05203-RBK</b>
<b>STEVEN BRICE WIBRACHT</b>	§	
<b>AND ERIN MICHELLE WIBRACHT,</b>	§	
<b>DEFENDANTS.</b>	§	

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**AMENDED COMPLAINT OBJECTING TO DISCHARGE  
OF STEVEN BRICE WIBRACHT AND ERIN MICHELLE WIBRACHT**

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**TO THE HONORABLE RONALD B. KING,**

**CHIEF UNITED STATES BANKRUPTCY JUDGE:**

Creditor Travelers Casualty and Surety Company of America (“Travelers” or “Plaintiff”) files this Amended Complaint Objecting to the Discharge of Steven Brice Wibracht and Erin Michelle Wibracht (the “Debtors” or “Defendants”), and represents and alleges as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. § 1334, 28 U.S.C. § 157, and 11 U.S.C. § 727.
2. This matter is a core proceeding under 28 U.S.C. § 157(b)(2)(J).
3. Venue in this Court is proper pursuant to 28 U.S.C. § 1409(a).

4. The deadline for filing a complaint objecting to the Debtors' discharge was April 4, 2018 and Plaintiff's Original Complaint was filed timely.

### **PARTIES**

5. Plaintiff, Travelers, is a secured creditor of the Debtors' estate (*see* POC 18), who brings this action pursuant to 11 U.S.C. § 727(c)(1).

6. Defendants, Steven Brice Wibracht and Erin Michelle Wibracht, are individuals who jointly filed a voluntary petition on September 30, 2017, commencing a case under Chapter 7 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Western District of Texas (the "Court"), initiating Case No. 17-52300-RBK (the "Bankruptcy Case"). Service of process may be made by first class U.S. mail, postage prepaid, pursuant to Federal Rule of Bankruptcy Procedure ("FRBP") 7004(b), on the Defendants at their home address, 536 E. Borgfeld Drive, San Antonio, Texas 78260.

### **BACKGROUND FACTS**

#### **A. The Defendants' Petition, Schedules, and SOFA**

7. On September 30, 2017 (the "Petition Date"), the Defendants filed a Voluntary Petition (the "Petition") for relief under Chapter 7 of the Bankruptcy Code initiating the Bankruptcy Case. (*See* DE 1.)

8. The Defendants signed the Petition declaring under penalty of perjury that the information provided in the Petition was true and correct. (*See id.*)

9. In addition to the Petition, on the Petition Date, the Defendants filed their Schedules and Statement of Financial Affairs ("SOFA") in the Bankruptcy Case. (*See id.*)

10. The Defendants signed the SOFA affirming that they "have read the answers on this *Statement of Financial Affairs* and any attachments, and I declare under penalty of perjury that answers are true and correct." (*See id.*)

11. In conjunction with their Schedules, the Defendants signed the Declaration About an Individual Debtor's Schedules affirming that "[u]nder penalty of perjury, I declare that I have read the summary and schedules filed with this declaration and that they are true and correct." (*See id.*)

12. The Defendants testified under oath at a meeting of creditors on November 2, 2017 (the "First Meeting of Creditors"). Defendants testified at the First Meeting of Creditors that they had signed the Petition, Schedules, and SOFA, and that they had read all the information in those documents before they signed them. (First Meeting of Creditors Transcript 4:16-5:8.) A true and correct copy of the relevant portions of the First Meeting of Creditors Transcript is attached hereto and incorporated herein as Exhibit "1".

13. The Defendants further testified that all the information in the Petition, Schedules, and SOFA was true and correct to the best of their knowledge and belief as of the Petition Date. (*See id.* at 5:9-13.) The Defendants also testified that since the Petition Date they had not thought of any changes that needed to be made to the Schedules or the SOFA, that the Schedules list all of the Defendants' assets and creditors. (*See id.* at 5:14-6:2.)

14. On November 10, 2017, after the First Meeting of Creditors, the Defendants filed amended Schedules amending Schedules A/B, C, and D (the "First Amended Schedule"), and SOFA (the "First Amended SOFA"). (*See* DE 16.)

15. In conjunction with their First Amended Schedules, the Defendants signed the Declaration About an Individual Debtor's Schedules affirming that "[u]nder penalty of perjury, I declare that I have read the summary and schedules filed with this declaration and that they are true and correct." (*See id.*) The Defendants also signed the First Amended SOFA affirming that they "have read the answers on this *Statement of Financial Affairs* and any attachments, and I

declare under penalty of perjury that answers are true and correct.” (*See id.*)

16. Steven Wibracht testified under oath at a continued meeting of creditors on December 11, 2017 (the “Second Meeting of Creditors”). (*See* Second Meeting of Creditors Transcript 5:13-6:9.) A true and correct copy of the relevant portions of the Exh 2, is attached hereto and incorporated herein as Exhibit “2”.

17. On March 14, 2018, the Defendants filed their Amended Schedules A/B and C (the “Second Amended Schedules”). (*See* DE 84.)

18. In conjunction with their Second Amended Schedules, the Defendants signed the Declaration About an Individual Debtor’s Schedules affirming that “[u]nder penalty of perjury, I declare that I have read the summary and schedules filed with this declaration and that they are true and correct.” (*See id.*)

19. On February 22, 2018, Steven Wibracht testified under oath at an examination under Federal Rule of Bankruptcy Procedure 2004 noticed by the United States Trustee.

#### **I. THE WIBRACHTS’ RELATIONSHIP WITH CORE LOGISTICS**

20. Prior to and during the year before the Petition Date, Steven was a 50% owner of Core Logistics Services, LLC d/b/a Core Constructors (“Core Logistics”) which is a company that performs excavation and site work on construction projects. (*See* February 22, 2018, Rule 2004 Examination Transcript, 13:12-21.) A true and correct copy of the relevant portions of the 2004 Examination Transcript is attached hereto and incorporated herein as Exhibit “3”. Steven has produced scant information about Core Logistics. He testified at his First Meeting of Creditors that he did not know Core Logistics’ gross income for 2015, 2016, or during the period of his ownership in 2017. (*See* Exh 1 18:11-19:25.) Despite his lack of knowledge about basic information regarding Core, Steven testified that “I was Core. I was the majority owner of Core. ... Core was my life. Core is – me and Core were no different.” (*See* Exh 2, 76:13-19.)



21. On April 1, 2016, Steven listed his 50% ownership value in Core to be worth \$350,000 on a personal financial statement provided to Texas Capital Bank. (*See* Exh 1 36:11-37:4.) Later, in October 2016, Steven listed his 50% ownership in Core to be worth \$1,000,000 on a personal financial statement signed under penalty of perjury to the U.S. Small Business Association (the “SBA”). (*See* Exh 3, 40:15-41:1.)

22. Steven testified that he received “nothing” in exchange for relinquishing his ownership interest in Core Logistics to Glen Boltinghouse in March 2017. (*See* Exh 1 17:19-23.) Later he testified that he received \$20. (*See* Exh 2, 8:15-19.) At another time, Steven testified that Mr. Boltinghouse agreed to “indemnify” Steven for debts of Core that Steven was obligated to pay. (*See* Exh 2, 58:20-24.) However, Steven testified that he made no investigation or inquiry as to Mr. Boltinghouse’s wherewithal to indemnify Steven. (*See* Exh 2, 60:7-12.)

23. As such, Steven has removed, destroyed and mutilated his ownership interest in Core Logistics within the year prior the Petition Date; failed to produce or preserve documents from which the financial condition and business transactions of Core might be ascertained without justification; knowingly or fraudulently made false oaths regarding Core Logistics; and failed to satisfactorily explain the loss of the value of his interest in Core Logistics or deficiency of assets to meet liabilities. More specifically, Travelers avers as follows:

**A. The Ownership Structure of Core Logistics**

24. In 2013, Steven Wibracht acquired an ownership interest in Core Logistics in 2013 as part of buy-out package from his prior employment with Federal Management Solutions. (*See* Exh 3, 11:22-12:20.)

25. Steven along with three other people, his brother, Michael Wibracht, Glen Boltinghouse, and Raymond Jenkins, each acquired a twenty-five percent (25%) interest in Core Logistics. (*See* Exh 3, 12:19-20, 15:15-17.)

26. Shortly thereafter, Steven purchased Raymond Jenkins's twenty-five (25%) ownership interest for \$15,000 or \$20,000. (*See* Exh 3, 12:21-13:11.)

27. As a result, Steven held a fifty percent (50%) ownership interest in Core Logistics and Michael Wibracht and Glen Boltinghouse each only had a twenty-five percent (25%) interest. (*See* Exh 3, 13:2-5.)

**B. Core Logistics' Operations and Interest in Wishing Star Ranch, LLC**

28. Core Logistics performed site work on construction projects as a subcontractor to various general contractors. (*See* Exh 3, 13:12-21.)

29. As part of its operations, Core Logistics owned significant amounts of equipment. Steven testified under oath that in March 2017, Core Logistics owned equipment with approximately \$750,000 in equity. (*See* Exh 1 63:13-25.)

30. However, upon information and belief, some of the equipment owned by Core Logistics may have been titled in Steven Wibracht's name.

31. During Steven's time as an owner of Core Logistics, Steven "managed the finances, managed the operations and try to – you know, business development." (*See* Exh 3, 15:10-15.)

32. In addition to performing site work, Steven testified that Core Logistics was also a fifty-percent owner of Wishing Star Ranch, LLC. (*See* Exh 1 30:7-12.)

33. Steven further testified that Wishing Star Ranch, LLC owned approximately 107 acres in real property. (*See* Exh 1 31:205.)

**C. The Sale of Steven's Ownership Interest in Core Logistics**

34. In March 2017, Steven sold his fifty percent (50%) ownership interest to Glen Boltinghouse for \$20. (*See* Exh 3, 42:16.)

35. Less than a year prior to selling his ownership interest to Glen Boltinghouse, Steven Wibracht prepared a financial statement in April 2016 for Texas Capital Bank. (*See* Exh 1 6:11-16.)

36. Steven signed the financial statement under penalty of perjury and valued his fifty percent (50%) ownership interest in Core Logistics at \$350,000. (*See* Exh 1 37:2-4.)

37. Six months later, and just five months before he sold his ownership interest to Glen Boltinghouse, Steven prepared a personal financial statement to submit to the SBA. (*See* Exh 3, 40:15-41:1.) Steven signed the personal financial statement under the penalty of perjury.

38. In the personal financial statement, Steven valued his fifty-percent (50%) ownership interest at \$1,000,000. (*See id.*)

39. When asked to elaborate on how he reached the \$1,000,000, Steven testified that it was nothing “scientific”, but was based on a “cash flow statement” that he either refuses to produce or does not have. (*See* Exh 3, 41:1-7; 42:23-43:3.)

40. However, on or about March 16, 2017, Steven Wibracht sold his 50% interest in Core Logistics to Glen Boltinghouse for \$20.00.

41. When asked to elaborate about the sale of his membership interest to Boltinghouse, Steven testified several times under oath that he received “nothing” and that he “didn’t get anything in return” for the transfer. (*See* Exh 1 17:19-22; Exh 2, 7:18-8:19.)

42. Steven later testified that Mr. Boltinghouse agreed to “indemnify” Steven for debts of Core that Steven was obligated to pay. (*See* Exh 2, 58:20-24.) However, Steven testified that he made no investigation or inquiry as to Mr. Boltinghouse’s wherewithal to indemnify Steven. (*See* Exh 2, 60:7-12.)

43. Steven once again contradicts himself and testified that “Mr. Boltinghouse doesn’t personally owe me anything.” (*See* Exh 2, 61:13-16.)

**D. Failure to Preserve the Assets of Core Logistics and Thereby the Value of Wibracht’s Ownership Interest Therein**

44. In addition to selling his membership interest to Botlinghouse for “nothing” just six months before he filed his Bankruptcy Case, Steven failed to preserve the assets of – and thus the value of his membership interest in – Core Logistics.

45. In April or May of 2017, Wishing Star Ranch, LLC sold the 107 acres. (*See* Exh 1 31:1-5.)

46. Upon information and belief, the sale proceeds, after paying the mortgage on the 107 acres, was approximately \$93,659.18.

47. Steven testified that Core Logistics’ portion of the sale proceeds was to go to pay down a \$35,000 line of credit with Texas Capital Bank, which was guaranteed by Steven, Mr. Boltinghouse, and Steven’s brother Michael Wibracht. (*See* Exh 2, 89:1-90:25.)

48. Upon information and belief, however, the sale proceeds were not paid to Texas Capital Bank, but were deposited into the bank accounts of 210 Development Group, LLC (“210 DG”).

49. 210 DG is a development company owned, in part, by Steven’s brother, Michael Wibracht.

50. Despite stating under oath several times that he has no ownership interest in 210 DG, Steven, nonetheless, has full access and control over 210 DG’s bank accounts, including the bank account where the sale proceeds from Wishing Star Ranch real property sale were deposited.

**II. THE WIBRACHTS' FAILURE TO BE FORTHRIGHT AND REFRAIN FROM MAKING FALSE OATHS.**

51. As more fully set forth below, the Wibrachts have failed to accurately disclose their assets and the disposition of such assets, including without limitation, failure to disclose income, an ownership interest in at least one limited liability company, ownership and disposition of a certificate of deposit and treasury bonds, jewelry, guns and weaponry, clothing, a life insurance policy, and equipment. The Wibrachts have made these false statements knowingly and fraudulently with intent to deceive creditors or reckless disregard for the truth.

52. On a few occasions, the Wibrachts have amended their disclosures to the Court, but only after being caught by Travelers or the U.S. Trustee in a prior false oath. Because the Wibrachts amended their schedules only after their falsity was revealed, these actions also show that the Wibrachts possessed the requisite intent to support the denial of discharge.

**A. The Wibrachts' Failure to Accurately Report and Disclose Income**

53. In response to Question No. 4 on the Defendants' SOFA, First Amended SOFA, and Second Amended SOFA, the Defendants list their combined income as follows:

	Debtor 1 (Steven Wibracht)	Debtor 2 (Erin Wibracht)
January 1 of the current year until the date you filed for bankruptcy:	\$65,742.42	\$9,414.40
For the last calendar year: (January 1 to December 31, 2016)	\$200,000.00	\$20,000.00
For the calendar year before that: (January 1 to December 31, 2015)	\$143,400.00	\$45,911.00

(See DE 1, 16, 84.)

**(i) *Statements Under Oath About the Source and Amount of the Wibrachts' Income***

54. Erin Wibracht testified that her only source of income prior to filing the Petition was from her work as a teacher, or from insurance for having a baby. (See Exh 1 51:4-11, 52:16-24.)

55. Steven Wibracht testified under oath that during 2015 his only source of income was from Core Logistics. (*See* Exh 1 53:1-6.)

56. Steven Wibracht also testified that his income from Core Logistics in 2015 was \$100,000. (*See* Exh 1 23:14-18.)

57. Steven further testified that his only source of income derived from employment or from the operation a business in 2016, and the beginning of 2017 was Core Logistics, and that his sole source of income thereafter from employment or from the operation of a business in 2017 was from Brown Excavation and Utilities (“Brown Excavation”). (*See* Exh 1 50:11-25, 53:7-15.)

58. Steven Wibracht also testified that his income from Core Logistics in 2016 was \$150,000. (*See* Exh 1 23:6-13.)

59. Steven Wibracht further testified that his income from Core Logistics in 2017 before he left Core Logistics, was \$10,000 to \$15,000. (*See* Exh 1 23:23-24:2.)

60. Steven was specifically asked whether “there [are] any other sources of income derived from your employment or from operating a business for ... this period” to which he responded “No.” (*See* Exh 1 53:7-15.)

61. Steven further testified that his current salary with Brown Excavation that commenced when he left Core Logistics is \$100,000 a year, paid weekly, with no insurance, pension or bonuses. (*See* Exh 1 61:4-16.)

62. Thereafter, Steven testified that the only additional sources of income pre-petition were from:

- (a) the sale of his 2006 Ferrari F430 in April or May of 2017 for \$80,000, for which he did not have appraised or otherwise valued before selling (*see* Exh 1 54:1-21);

- (b) the trade-in of a 2015 Chevy 2500 and a 2013 Ford F-350 for a single Ford F-250 (*see* Exh 1 55:4-13);
- (c) the sale of three Rolex watches for \$17,000 to Diamond & Jewelry Exchange in the summer of 2017, for which he did not have appraised (*see* Exh 1 57:4-25); and
- (d) guns sold from February 2017 to summer to 2017 for \$23,386.02, which were not appraised prior to their sale (*see* Exh 1 58:23-60:2.)

**(ii) *Undisclosed Payments from Brown Excavation***

63. On February 22, 2016, Steven received a check from Brown Excavation for \$45,000. (*See* Exh 2, 21:12-17.) The income was not reported on any of the SOFAs filed by the Defendants. It also contradicts Steven's prior sworn testimony that he only received income from operating Core Logistics in 2016.

64. Steven testified that he received the \$45,000 check from Brown Excavation as a "commission" for selling a utility job to Brown Excavation. (*See* Exh 2, 21:8-22:3.) Steven later testified the job included site and utilities work for the project. (*See* Exh 3, 29:15-16.)

65. Steven testified that at the time he "sold" Brown Excavation the job and received the \$45,000 commission check he was working for Core. (*See* Exh 2, 22:4-5.)

66. Steven further testified that the utility job was for subcontract work on a condo projected being developed by 210 DG, Steven's brother's, Michael's, entity. (*See* Exh 2, 30:17-31:4.)

67. Steven further testified that Brown Excavation never paid him any other commissions. (*See* Exh 2, 22:6-8.)

68. In June 2016, Brown Excavation wrote a check for \$37,000 to Steven Wibracht, which was deposited into his Bank of America account. (*See* Exh 3, 48:11-18.) The income was not reported on any of the SOFAs filed by the Defendants. It also contradicts Steven's prior sworn testimony that he only received income from operating Core Logistics in 2016.

69. Steven could not remember why Brown Excavation paid him \$37,000. (*See id.*)

70. Upon information and belief, Brown Excavation also wrote a check to Steven Wibracht dated May 12, 2016, for \$3,500. The income was not reported on any of the SOFAs filed by the Defendants. It also contradicts Steven's prior sworn testimony that he only received income from operations of a business from Core Logistics in 2016.

71. Steven received the \$45,000 check, the \$37,000 check, and the \$3,500 check from Brown Excavation in 2016, but Steven testified under oath that his only source of income in 2016 was from Core Logistics. (*See* Exh 1 50:11-25.)

72. Steven received two additional checks from Brown Excavation in 2017. The first check was dated June 12, 2017, for \$8,000, and the second check was dated August 25, 2017, for \$10,000. The income was not reported on any of the SOFAs filed by the Defendants.

73. Steven testified that these funds were loans for the Defendants to pay their bankruptcy counsel. (*See id.* at 50:22-51:19.)

74. Steven then admitted that the \$18,000 "loaned" from Brown Excavation was not specifically listed on his Schedule F. (*See id.* at 55:10-12.)

75. The Defendants did not disclose any of these additional payments from Brown Excavation in their Schedules, First Amended Schedules, their Second Amended Schedules, their SOFA, their First Amended SOFA, or the Second Amended SOFA as income.

**(iii) Payments from 210 DG**

76. During the First Meeting of Creditors, Steven was asked if he ever received any money or payments from 210 Developers, to which he responded "No." (*See* 1st 341 Tr. 46:2-4.)

77. Upon information and belief, from January 1, 2015 to the Petition Date, Steven received at least \$1,300 from 210 DG, including but not limited to the following amounts:



1/30/2015	\$150.00
3/30/2015	\$150.00
5/6/2015	\$150.00
8/14/2015	\$300.00
6/30/2016	\$300.00
9/9/2016	\$250.00

78. Steven, however, testified that in 2015 and 2016, he only received income from Core Logistics. (*See* Exh 1 50:11-25, 53:1-6.)

79. The Defendants also did not disclose this additional income on their Schedules, First Amended Schedules, Second Amended Schedules, SOFA, First Amended SOFA, or Second Amended SOFA.

**(iv) Undisclosed Non-Payroll Payments from Core Logistics**

80. In addition to his payroll payments from Core Logistics, Steven received at least \$540,000 from Core Logistics from January 1, 2015 through March 2017, which he failed to disclose.

81. The additional payments from Core Logistics were paid by check made out to Steven, or to “Cash”, which Steven would then sign.

82. When asked about the additional payments from Core Logistics, Steven testified under oath that the payments were to repay loans he made to Core Logistics, or to reimburse him for charges made on his personal American Express account -41004 for the benefit of Core Logistics. (*See* Exh 1 23:6-24:1, 50:20-23, 53:15, 58:18-21, 92:5-13, 94:1-10; Exh 2, 9:5-10:1, 11:4, 14:1, 64:8-68:5, 99:25-100:11.)

83. More specifically, Steven was asked about a check written by Core Logistics to Steven Wibracht in March 2016 for \$42,000. (*See* Exh 2, 9:5-10:1.)

84. Steven testified that the purpose of the check was “[t]o pay an American Express bill.” (*See id.*)

85. However, when pressed, Steven Wibracht changed his testimony and stated that the check was to repay a loan. (*See id.* at 9:17-21, 11:20-24.)

86. Steven further testified under oath that he would use his personal American Express account -41004 because Core Logistics’ American Express account -11005 had an \$80,000 credit limit. (*See* Exh 2, 99:25-100:11.)

87. From September 2015 through March 2017, Steven Wibracht paid at least \$423,898.76 to his personal American Express account -41004, of which at least \$250,000 was for personal expenses.

88. From September 2015 through March 2017, Steven also used his Core Logistics American Express account -11005, of which at least \$91,000 was for personal expenses.

89. The Defendants did not disclose this additional income on their Schedules, First Amended Schedules, Second Amended Schedules, SOFA, First Amended SOFA, or Second Amended SOFA.

(v) ***Tax Refunds***

90. Upon information and belief, the Defendants received at least \$47,081.11 in federal tax refunds from January 1, 2015 to the Petition Date, including but not limited to the following refunds:

2/23/2015	Federal Tax Refund	\$3.11
11/6/2015	Federal Tax Refund	\$ 13,554.00
2/11/2016	Federal Tax Refund	\$ 5,708.00
2/11/2016	Federal Tax Refund	\$ 27,816.00

91. During this time, the Defendants testified that their only source of income was from Core Logistics and Erin Wibracht's employment as a teacher. (*See* Exh 1 50:11-25, 51:4-11, 52:16-24, 53:1-6.)

92. The Defendants also did not disclose this additional income on their Schedules, First Amended Schedules, Second Amended Schedules, SOFA, First Amended SOFA, or Second Amended SOFA.

**(vi) *Certificate of Deposit and Other Financial Accounts***

93. Question 17 of Schedules A/B asks the Defendants to disclose all deposits of money, including among others, checking, savings, or other financial accounts, and certificates of deposit. In response, the Defendants identified four bank accounts: a checking and a savings account at Security Service Federal Credit Union and a checking a savings account at Bank of America. (*See* DE 1, 16, 84.)

94. Similarly, Question 20 of the SOFA asks the Defendants to identify any financial accounts or instruments, including among others, checking, savings, or other financial accounts, and certificates of deposit that the Defendants closed, sold, moved or transferred within one (1) year prior to the Petition Date. In response, the Defendants identified a single account with Texas Capital Bank that was closed. (*See id.*)

95. Further, at the Second Meeting of Creditors, Steven was asked if the Defendants had any other bank accounts, to which Steven responded "No." (*See* Exh 2, 51:12-17.)

96. Upon information and belief, the Defendants failed to disclose at least four (4) financial accounts or instruments in their Schedules, First Amended Schedules, Second Amended Schedules, SOFA, First Amended SOFA, and Second Amended SOFA, including, but not limited to: (i) a savings account ending in -02000 at Security Service Federal Credit Union in

Steven Wibracht's name; (ii) a savings account ending in -1100 at Security Service Federal Credit Union in Erin Wibracht's name; (iii) a youth savings account ending in -82000 at Security Service Federal Credit Union in the Defendants' names and their minor child's name; and (iv) a Future Builder certificate of deposit account ending in -1080 at Security Service Federal Credit Union held in Erin Wibracht's name.

97. Upon information and belief, on September 20, 2017, the day the Defendants filed their Bankruptcy Case, Erin Wibracht closed the Future Builder certificate of deposit accounting ending in -1080 at Security Service Federal Credit Union.

**(vii) Treasury Bonds**

98. Question 18 of Schedules A/B asks the Defendants to disclose all government and corporate bonds and other negotiable and non-negotiable instruments. In response, the Defendants identified a single Bank of America trading account. (*See* DE 1, 16, 84.)

99. Plaintiff is informed and believes thereon alleges that the Defendants failed to disclose at least seven (7) Series I United States Treasury Bonds which were issued on or about March 3, 2011 to Steven B. Wibracht.

100. Plaintiff is informed and believes thereon alleges that Erin Wibracht redeemed the seven (7) Series I post-Petition on December 14, 2017.

**(viii) Potential Other Non-Disclosed Sources of Income**

101. On November 2, 2017, Steven Wibracht testified that a relationship with "the branch of Bank of America" where he would take checks and the branch would give him "counter credit" for them so that the funds would be available immediately. (*See* Exh 1 92:15-18.)

102. As such, Plaintiff alleges that Defendants received additional income from various sources that have not yet been identified or disclosed.

**B. False Statements Regarding the Wibrachts' Personalty**

**(i) *Allegations Regarding Purchases and Transfers of Weaponry***

103. In the two years prior to the Petition Date, Steven Wibracht used his personal American Express account -41004 and his Core Logistics American Express account -11005 to purchase approximately \$75,000 in guns, ammunition, and other weaponry.

104. On his Schedules, First Amended Schedules, and Second Amended Schedules, Steven Wibracht states that he only owns \$7,795 in guns, ammunition, and other weaponry. (*See* DE 1, 16, 84.)

105. Under oath, Steven testified that he purchased the weaponry on the American Express cards for Core Logistics. (*See* Exh 3, 82:15-83:25.) Core Logistics would then give the guns as gifts to employees and clients, such as subcontractors. (*See* Exh 3, 84:1-85:25.)

106. In addition, under oath, Steven testified that he sold several guns in the months prior to the Petition Date. Steven testified that in June of 2017, he sold two firearms to Jerry and Georgina Hewtty for \$11,900. (*See* Exh 1 14:4-9.)

107. The sale of the two firearms to the Hewttys was not listed in the Debtors' original Schedules. (*See* DE 1.)

**(ii) *Allegations Regarding Jewelry***

108. Question 12 of Schedules A/B requires the Defendants to list and value their jewelry, which includes "[e]veryday jewelry, costume, jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver."

109. Initially, in response, the Defendants responded "yes" that they have such personal property, describing it as "[j]ewelry engagement ring, earnings, watch, 2 watches and misc. jewelry wedding rings," and valued it at \$12,240. (*See* DE 1, 16.)

110. On January 10, 2018, Travelers filed an *Objection* to the Defendants' exemptions, which the Chapter 7 Trustee joined. (*See* DE 60, 61.)

111. On February 20, 2018, the Court held a hearing on the objection to the Defendants' exemptions and ordered the Defendants to file Amended Schedules A/B and C by March 14, 2018.

112. On March 14, 2018, the Defendants filed their Second Amended Schedules. (*See* DE 84.)

113. In the Second Amended Schedules, the Defendants decreased the value of their jewelry to \$9,300. (*See* DE 84.) The Defendants identified the following pieces of jewelry:

Breitling men's watch 18k gold/stainless model CB0140	\$2,200.00
Breitling men's watch, 18 k rose gold/stainless model 1 B0100	\$2,500.00
14K white gold engagement ring with approx. 1.1 ct. princess cut diamond	\$2,800.00
14K white gold wedding band with approx. .5 ctw princess cut diamonds	\$250.00
14K whie [sic] gold earrings [sic] with approx. 1.35 ctw princess cut diamonds	\$800.00
Men's gold wedding band	\$250.00
Misc. costume jewelry consisting of rings, necklases [sic], earnings [sic], etc. (nothing of any significant value	\$500.00

(*See* DE 84.)

114. Plaintiff is informed and believes thereon alleges that the Defendants' share a personal American Express account ending in -41004.

115. Plaintiff is informed and believes thereon alleges that Defendant Erin Wibracht has a personal American Express account ending in -62006.

116. Plaintiff is informed and believes thereon alleges that Steven Wibracht has an American Express account ending in -11005, which was set-up as a Core Logistics account.

117. In the two years prior to the Petition Date, the Defendants used their American Express cards to purchase at least \$17,000 on jewelry, including the following purchases:

9/30/2016	Diamond and Jewelry Gallery	\$10,000.00	-41004
11/12/2015	Moretti's	\$5,412.50	-41004
5/7/2016	Tiffany's & Co.	\$216.50	-41004
6/19/2016	Tiffany's & Co.	\$272.79	-41004
12/8/2016	MontBlanc San Antonio	\$1,001.50	-11005
12/23/15	Kendra Scott Design	\$422.18	-62006
4/25/16	Kendra Scott Design	\$368.05	-62006
5/4/2016	Kendra Scott Design	\$346.40	-62006
9/14/2016	Kendra Scott Design	\$254.38	-62006
12/14/2016	Kendra Scott Design	\$133.20	-62006

118. Plaintiff is informed and believes thereon alleges that Defendants failed to disclose and value their personal property responsive to Question 12 of Schedules A/B.

***(iii) Allegations Regarding Clothing***

119. Question 11 of Schedules A/B requires the Defendants to list and value their clothing, which includes “[e]veryday clothing, furs, leather coats, designer wear, shoes, accessories.” In response, the Defendants respond “yes” that they have such personal property, describing it as “clothing,” and valuing it at only \$1,000. (*See* DE 1, 16, 84.)

120. Plaintiff is informed and believes thereon alleges that the Defendants’ share a personal American Express account ending in -41004.

121. Plaintiff is informed and believes thereon alleges that Defendant Erin Wibracht has a personal American Express account ending in -62006.

122. Plaintiff is informed and believes thereon alleges that Steven Wibracht has an American Express account ending in -11005, which was set-up as a Core Logistics account.

123. In the two years prior to the Petition Date, the Defendants used their American Express cards to purchase at least \$29,400 in high-end apparel and accessories, including but not limited to custom-made suits, Tory Burch handbags and accessories, and Vera Bradley accessories.

124. In addition, in the two years prior to the Petition Date, the Defendants also used their American Express cards to purchase clothing from non-high-end stores and Western Apparel in excess of \$10,000.

125. Furthermore, Defendants made numerous purchases at clothing stores with their debit cards, including but not limited to Nordstrom and Saks Fifth Avenue.

126. Plaintiff is informed and believes thereon alleges that Defendants failed to disclose and value their personal property responsive to Question 11 of Schedules A/B.

***(iv) Allegations Regarding Statements About Household Goods***

127. Question 6 of Schedules A/B requires the Defendants to list and value their household goods and furnishings, which includes “[m]ajor appliances, furniture, linens, china, kitchenware.” In response, the Defendants respond “yes” that they have such personal property, describe it as “[h]ousehold goods, supplies and furnishings,” and value it at only \$4,500. (*See* DE 1, 16, 84.)

128. Plaintiff is informed and believes thereon alleges that the Defendants’ share a personal American Express account ending in -41004.

129. Plaintiff is informed and believes thereon alleges that Defendant Erin Wibracht has a personal American Express account ending in -62006.



130. Plaintiff is informed and believes thereon alleges that Steven Wibracht has an American Express account ending in -11005, which was set-up as a Core Logistics account.

131. In the two years prior to the Petition Date, the Defendants used their American Express cards to purchase at least \$10,000 on household goods and home décor items.

132. Plaintiff is informed and believes thereon alleges that Defendants failed to disclose and value their personal property responsive to Question 8 of Schedules A/B.

**(v) *Allegations Regarding Undisclosed Life Insurance Policies***

133. Question 31 of Schedule A/B requires the Defendants to disclose their interest in insurance policies. In the Schedules filed on September 30, 2017, the Defendants did not list any insurance policies. (*See* DE 1.)

134. On November 2, 2017, the Defendants were once again asked about if they have an interest in any life insurance policies. (*See* Exh 1 37:17-24.) When pressed, Steven Wibracht responded that he knew he had an interest in a State Farm life insurance policy for \$100,000. (*See id.*)

135. Thereafter, the Defendants filed the Amended Schedules on November 10, 2017, listing the State Farm life insurance policy for \$150,000. (*See* DE 16.)

136. Upon information and belief, Erin Wibracht had a life insurance policy with Prudential for \$2 million. Erin Wibracht failed to provide information regarding the status of said policy.

**C. False Statements Regarding the Polaris**

137. Question 18 of the SOFA asks whether the Defendants sold, traded, or otherwise transferred any property to anyone, other than property in the ordinary course of the Defendants' business, within the two years prior to their Bankruptcy Case. Defendants responded that in 2017 they transferred a 2016 Polaris and trailer that they owned that was worth approximately

\$18,000 to satisfy company debts of Core Logistics to Brown Excavation. (*See* DE 1, 16, 84.)

Defendants further state that the Polaris was titled in the Steven's name. (*See id.*)

138. On November 2, 2017, Defendant Steven Wibracht testified that he transferred a Polaris titled in his name to Brown Excavation sometime in December 2016/January 2017. (*See* Exh 1 60:3-22.)

139. Brown Excavation did not pay any money to Steven Wibracht for the Polaris. (*See id.*) Steven Wibracht testified that he transferred a Polaris that he personally owned to Brown Excavation for "Core Constructors owed Brown Excavation approximately \$27,000. And in the middle -- And while I was still with Core, in trying to benefit Core, make Core work for forgiveness of that -- that loan to -- I mean, the money from Brown -- the receiv -- the receivable to Brown, which is payable to Core, we swapped the Polaris for that payable." (*See id.* 60:7-13.)

140. Steven has not produced any paperwork to document the transaction.

**D. False Statements Regarding Mahindra Trailer**

141. Question 40 of Schedules A/B asks the Defendants to disclose any machinery, fixtures, equipment, supplies that the Defendants use in their business and tools of their trade. In response, on their Schedules, the Defendants stated that they did not own any such property.

142. On November 2, 2017, Defendant Steven Wibracht testified that he had a Mahindra tractor titled in his name. (*See* Exh 1 80:17-23, 81:16-18.)

143. Then, on November 10, 2017, the Defendants amended their Schedule A/B to list a "Mahindra Tractor with loader attachment and box shredder." (*See* DE 16.)

144. Thereafter, on December 11, 2017, Defendant Steven Wibracht testified that the Mahindra tractor was titled in Core Logistics' name. (*See* Exh 2, 56:10-16.)

145. The statements on November 2, 2017 and December 11, 2017, and the Defendants' First Amended Schedule A/B cannot all be accurate.

**E. False Statements Regarding Sale of 2015 Jeep Wrangler**

146. Question 3 of Schedules A/B requires the Defendants to disclose all cars, vans, trucks, tractors, sport utility vehicles, and motorcycles that they own, lease or have a legal or equitable interest. In response, Defendants list a 2015 Jeep Wrangler that that they claim they sold to Steven Wibracht's brother in 2016, but it is still titled in Steven's name. (*See* DE 1, 16, 84.)

147. On November 2, 2017, Defendant Steven Wibracht testified that he sold the 2015 Jeep Wrangler to 210 DG in 2016. (*See* Exh 1 12:13-21; 71:10-23.)

148. On November 15, 2017, Steven Wibracht filed a reaffirmation agreement seeking to reaffirm his obligations to Santander Consumer USA, Inc. for the 2015 Jeep Wrangler. (*See* DE 19.) The reaffirmation agreement was approved on February 20, 2018. (*See* DE 20.)

149. On December 11, 2017, Defendant Steven Wibracht then testified that Core Logistics sold the 2015 Jeep Wrangler to 210 DG, but that the Jeep is still titled in Steven's name. (*See* Exh 2, 49:2-21.)

150. Plaintiff is informed and believes thereon alleges that the bill of sale for the 2015 Jeep Wrangler shows that Core Logistics sold the 2015 Jeep Wrangler to 210 DG.

151. Defendant Steven Wibracht's testimony and statements under oath regarding who owns the 2015 Jeep Wrangler, who sold the 2015 Jeep Wrangler, and who purchased the 2015 Jeep Wrangler are inconsistent and are also inconsistent with documentation produced by Steven Wibracht in the course of the Bankruptcy Case.

**F. Allegations Regarding Undisclosed and Undocumented 1966 Chevy Pickup Transactions**

152. Question 18 of the SOFA asks whether the Defendants sold, traded, or otherwise transferred any property to anyone, other than property in the ordinary course of the Defendants' business, within the two years prior to their Bankruptcy Case. In the Defendants' SOFA, they did not disclose the transfer of a 1966 Chevy Pickup. (*See* DE 1.)

153. On November 2, 2017, the Defendants were asked about their ownership interest in the 1966 Chevy Pickup. (*See* Exh 1 85:26-87:27.)

154. Steven Wibracht testified that he purchased the 1966 Chevy, which he fixed-up, and then he "gave" it to someone working for Brown Excavation. (*See id.* at 85:26-87:25.)

155. Thereafter, on November 10, 2017, the Defendants amended their SOFA to disclose the transfer of the 1966 Chevy. (*See* DE 16.)

156. On December 11, 2017, Steven testified further about the transfer of the 1966 Chevy. He testified that he "traded" the 1966 Chevy to Brown Excavation in exchange for Brown Excavation allegedly agreeing to pay Core Logistics an additional \$25,000 on a project that Core Logistics was working on for Brown Excavation. (*See* Exh 2, 15:8-15.)

157. Steven then testified that he "traded" the 1966 Chevy because "[he] needed the money," but then that "[Core Logistics] needed the money." (*See id.* at 15:18-16:21.)

158. Steven thereafter testified that he traded the 1966 Chevy because Robert Brown "wanted the truck. He came by my shop. He had to have it." (*See id.* at 73:13-16.)

159. Steven, however, testified that he has no paperwork for this "trade." (*See id.* at 72:20-25.)

**G. Allegations Regarding Undisclosed and Undocumented Jeep Rubicon Transactions**

160. Question 18 of the SOFA asks whether the Defendants sold, traded, or otherwise transferred any property to anyone, other than property in the ordinary course of the Defendants' business, within the two years prior to their Bankruptcy Case. In the Defendants' SOFA, they did not disclose multiple transactions with Robert Brown in November 2016 and February 2017 involving a Jeep Rubicon. (*See* DE 1.)

161. On November 2, 2017, the Defendants were asked about a check written to Robert Brown in November 2016 for \$35,000. (*See* Exh 1 96:2-96:15.)

162. Defendant Steven Wibracht testified that the check was for his personal purchase of a Jeep Rubicon from Robert Brown for \$35,000. (*See id.* at 96:13-23.) Defendant Steven Wibracht further testified that he "gave him [Robert Brown] a check for \$35,000. He [Robert Brown] cashed the check. I [Steven Wibracht] drove the Jeep home." (*See id.* at 97:3-5.)

163. Defendant Steven Wibracht also testified that "then [he] needed the money back," so he gave the Jeep Rubicon back to Robert Brown. (*See id.* at 96:24-25.) The Defendants, however, then testified that they "sold" the Jeep Rubicon back to Robert Brown because Core Logistics could not pay Brown Excavation approximately \$30,000 that Core Logistics allegedly owed Brown Excavation. (*See id.* at 97:7-18.)

164. Only after the Defendants were questioned about the \$35,000 check at the First Meeting of Creditors – which Steven Wibracht paid Robert Brown *less than a year prior* to the Petition Date – did the Defendants subsequently amend their SOFA to disclose the transaction with Robert Brown regarding the Jeep Rubicon. (*See* DE 16.)

165. On December 11, 2017, Defendant Steven Wibracht testified that as a result of the reconveyance of the Jeep Rubicon (originally purchased for \$35,000) to satisfy a Core Logistics debt of \$30,000 owed to Brown Excavation, Brown Excavation gave Core Logistics a “credit memo” for only \$28,000. (*See* Exh 2, 77:10-15.) When asked if he had a copy of any of paperwork for this transaction, Steven Wibracht testified that he did not. (*See id.*)

166. Defendant Steven Wibracht further testified about the basis for the alleged Core Logistics debt owed to Brown Excavation. (*See id.* at 80:20-81:19.) Defendant Steven Wibracht testified that the alleged debt arose from Core Logistics renting generators from Brown Excavation for an apartment project Core Logistics was working on for 210 DG. (*See id.*)

167. Steven had previously testified that he had no relationship with 210 DG. (*See* Exh 1 12:25-13:2.)

168. However, Steven Wibracht is authorized to sign on 210 DG’s bank accounts.

169. In addition, at the Second Meeting of Creditors, Steven testified that Core Logistics worked on at least one project for 210 DG. (*See* Exh 2, 31:12-24, 34:21-25.)

170. Further, Steven Wibracht received money from 210 DG.

171. In addition, 210 DG paid for the 2015 Jeep Wrangler that Steven Wibracht transferred to his brother, Michael Wibracht.

#### **H. Allegations Regarding Undisclosed 2005 Ford**

172. Question 18 of the SOFA asks whether the Defendants sold, traded, or otherwise transferred any property to anyone, other than property in the ordinary course of the Defendants’ business, within the two years prior to their Bankruptcy Case. In the Defendants’ SOFA, the Defendants did not initially disclose the sale of a 2005 Ford Excursion in 2016. (*See* DE 1.)

173. On November 2, 2017, the Defendants were questioned about their ownership of a 2005 Ford Excursion in the two years preceding the Petition Date. (*See* Exh 1 89:4-6.)

Defendant Steven Wibracht testified that the 2005 Ford Excursion was sold in 2016 to Carmax for \$12,500, and the funds were allegedly used to pay Core Logistics' payroll. (*See id.* at 89:8-90:2.)

174. Steven Wibracht testified about the sale noting that he has "the document of the sale ... I sold it to Carmax, because I -- I sold it on a Wednesday or Thursday night because I needed the money Friday." (*See id.* at 89:23-90:2.)

175. After the UST questioned the Defendants about the 2005 Ford Excursion on November 2, 2017, the Defendants amended their SOFA on November 10, 2017, to disclose the sale of the 2005 Ford Excursion. (*See* DE 16.)

**I. Allegations Regarding Undisclosed Executory Contract**

176. Question 1 on Schedule G asks the Defendants to disclose any executory contracts or unexpired leases. The Defendants responded that they do not have any executory contracts or unexpired leases. (*See* DE 1.)

177. On December 11, 2017, Defendant Steven Wibracht testified that he has had an active listing agreement with Shannon Albrecht for several years for the Defendants' real property described in the Defendants' Schedules A/B as "50% undivided interest in 5 acres, Clear Springs, Comal County, Texas, 26609 Donna Elaine, San Antonio, Texas 782561." (*See* DE 1, 16, 84; *see also* Exh 2, 46:21-23.)

178. An active listing agreement for the sale of real property is an executory contract.

179. The active listing agreement with Shannon Albracht is not listed on the Defendants' Schedule G. (*See* DE 1.)

**J. Additional False Statements Regarding Ownership Interests**

180. Steven testified that Core Logistics was a fifty-percent owner of Wishing Star Ranch, LLC. (*See* Exh 1 Tr. 30:7-12.)

181. Steven's SOFA, First Amended SOFA, and Second Amended SOFA, which he signed under the penalty of perjury, however, list Steven as a member of Wishing Star Ranch, LLC. (*See* DE 1, 16, 84.)

182. Additionally, Steven Wibracht testified at the First Meeting of Creditors that he had no interests in any limited liability companies. (*See* Exh 1 35:17-36:10.)

183. Upon information and belief, Steven Wibracht still held an interest in Costa Offshore, LLC as of the Petition Date.

**K. False Statements Regarding Who Resides at the Defendants' Home**

184. In response to Question 2 on Schedule J, the Defendants state that as of the Petition Date, in addition to the Defendants and their children, one of the Defendants' mothers lived with them. (*See* DE 1.)

185. However, Steven testified at the Second Meeting of Creditors that no one else, other than the Defendants, their children, and their nanny, Wendy Hudson lived with them on November 10, 2017, when the Defendants filed their Amended Schedules. (*See* Exh 2, 41:23-25.)

186. Steven further testified that no one else lived with the Defendants, aside from their children, and possibly their nanny, as of the Petition Date. (*See id.* at 42:1-4.)

187. Steven's testimony contradicts Defendants sworn statements on Question 2 of Schedule J stating that one of the Defendants' motions lives/lived in the family home. Both sworn statements cannot be true.

**III. THE WIBRACHTS HAVE FAILED TO KEEP (OR DISCLOSE) ADEQUATE RECORDS**

188. The Wibrachts are unable or unwilling to provide records from which their financial condition or transactions can be ascertained. The Wibrachts' failure to maintain adequate records is amplified by and stands in contrast to the Wibrachts' high lifestyle prior to



the Petition Date. For example, the Wibrachts owned or controlled no less than four vehicles, including a Ferrari; several Rolex watches; and their bank statements show at least \$118,000 deposited into the Defendants' bank accounts that was not accounted for in the Debtors' SOFA (*See* Exh 1 91:25-92:4) in 2016 and \$139,000 deposited into the Defendants' bank accounts in 2017 prior to the Petition Date that was not accounted for in the Debtors' (*See id.* 92:5-8). More specifically, Travelers avers as follows:

**A. Failure to Keep Information Regarding Income from Core Logistics**

189. Steven was asked about Core Logistics' income for 2015, 2016, and 2017 prior to his departure, but was unable to provide information about Core Logistics' income. (*See* Exh 1 18:8-10, 19:8-25.)

190. Steven further testified that he did not file tax returns in 2016 for Core Logistics. (*See* Exh 1 18:15-20.)

191. Steven also testified that he had not yet accounted for his income from Core Logistics in 2016. (*See* Exh 1 18:21-23.)

192. Steven also testified that as of November 2, 2017, he had not filed his 2016 tax returns. (*See* Exh 1 19:1-2.)

193. Steven claimed that he did not know the gross income for Core Logistics because he was just "a field guy," but he "ran the office." (*See id.* at 20:1-4.)

194. Steven also later testified during the UST's 2004 Examination that he "managed the finances, managed the operations ... [of Core Logistics]." (*See* Exh 3, 15:10-15.)

195. Furthermore, when asked about additional payments that he received from Core Logistics, Steven testified that he does not have the records for Core Logistics to prove why Steven received the additional payments from Core Logistics. (*See* Exh 2, 13:1-4.)

196. Steven, however, also testified that “I was Core. I was the majority owner of Core. ... Core was my life. Core is – me and Core were no different.” (*See* Exh 2, 76:13-19.)

**B. Failure to Keep Information Regarding the Polaris Transaction**

197. In response to Question 18 on their SOFA, the Defendants disclose that in 2017 they transferred a 2016 Polaris and trailer worth approximately \$18,000 to Brown Excavation to satisfy company debts of Core Logistics.

198. However, when asked whether he had any paperwork evidencing the transaction between Steven Wibracht, Core Logistics, and Brown Excavation, Steven Wibracht testified that he had a copy of the title, but when asked whether there was a bill of sale, Steven Wibracht stated “we may have done something. I don’t remember.” (*See* Exh 2, 71:16-19, 72:14-19.)

**C. Failure to Keep Records Regarding the 1966 Chevy Truck Transactions**

199. In addition to failing to disclose the transfer of the 1966 Chevy Truck to Robert Brown/Brown Excavation, Steven also failed to keep any records of the transaction. (*See* Exh 2, 72:20-25.)

**D. Failure to Keep Records Regarding Loan from Michael Wibracht**

200. On July 11, 2017, Michael Wibracht – Steven’s brother – wrote a check to Steven for \$5,000 as a purported “loan.” (*See* Exh 2, 14:14-17.)

201. When the UST asked Steven why his brother loaned him money, Steven responded “[b]ecause I didn’t have any.” (*See id.* at 14:20-22.)

**E. Failure to Keep Records Regarding Jeep Rubicon Transactions**

202. On December 11, 2017, Defendant Steven Wibracht testified that as a result of the reconveyance of the Jeep Rubicon (originally purchased for \$35,000) to satisfy a Core Logistics debt of \$30,000 owed to Brown Excavation, Brown Excavation gave Core Logistics a “credit memo” for only \$28,000. (*See* Exh 2, 77:10-15.)

203. When asked if he had a copy of any of paperwork for this transaction, Steven Wibracht testified that he did not. (*See id.*)

**F. Failure to Keep Information Regarding Deposits and Withdrawals Into Bank Accounts and Credit Card Accounts**

204. On December 11, 2017, the Defendants were asked about a \$2,500 withdrawal on June 7, 2017, and a \$1,500 withdrawal on June 11, 2017, from their Security Service checking account. (*See* Exh 2, 22:15-25, 23:5-8.) Steven Wibracht was unable to explain why he withdrew the money or for what purpose he used the funds. (*See id.*)

205. Steven Wibracht, however, then testified regarding a \$8,000 deposit into his Bank of America checking account, but is unable to confirm whether the funds withdrawn from the Security Service checking account are the same funds deposited into the Bank of America checking account. (*See id.* at 24:15-25:9.)

206. The Defendants were questioned further about the purpose of other withdrawals from the Security Service checking account and deposits into the Bank of America checking account in the months preceding their Petition Date. (*See id.* at 26:11-27:16.) The Defendants were unable to explain the source of the funds, whether the funds came from the sale of their personal property pre-petition, *e.g.*, sale of guns, or other sources, because they lacked documentation for the transactions. (*See id.*)

207. When Steven was asked about his American Express accounts, Steven testified that the Defendants could not access his American Express accounts because he was “locked-out.” (*See* Exh 2, 65:1-7.)

**G. Refusal to Respond to Questions About Financial Affairs**

208. During the Second Meeting of Creditors, Steven was asked about his and Core Logistics’ relationship with 210 DG, his brother’s company.

209. The Defendant's counsel repeatedly instructed Steven not to answer questions posed to Steven regarding his relationship with Core Logistics and 210 DG. (*See* Exh 2, 35:1-3, 35:25-38:1.)

210. When Steven was further questioned about his interest in Core Logistics and the value of that interest, including how and why Core Logistics allegedly lost \$1 million in 2016, (*see* Exh 2, 86:16-21), Steven's counsel instructed him not to answer the questions (*see id.* at 86:22-87:17.)

### **CAUSES OF ACTION**

#### **COUNT I** **FOR DENIAL OF DISCHARGE OF STEVEN AND ERIN WIBRACHT** **11 U.S.C. § 727(a)(2)(A)**

211. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 210.

212. 11 U.S.C. § 727(a)(2)(A) provides that the Court shall deny a debtor a discharge when "with the intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under this title, the debtor has transferred, removed, destroyed, mutilated or concealed, or has permitted to be transferred, removed, destroyed, mutilated or concealed ... property of the debtor, within one year before the date of the filing of the petition."

213. By transferring, removing or concealing assets as detailed above, the Defendants transferred, removed, destroyed, mutilated or concealed property within one year before the date of the filing of the Petition with the intent to hinder, delay, or defraud a creditor or an officer of the estate charged with the custody of property under this title.

214. Specifically, the allegations that support a denial of the Defendants' discharge under 11 U.S.C. § 727(a)(2)(A) include, but are not limited to, paragraphs 5, 7-50, 72, 75, 80-89,

93-97, 101-140, 146-175, 180-182, 189-210.

215. Therefore, the Defendants Steven Brice Wibracht and Erin Michelle Wibracht should be denied their discharge pursuant 11 U.S.C. § 727(a)(2)(A).

**COUNT II**  
**FOR DENIAL OF DISCHARGE OF STEVEN AND ERIN WIBRACHT**  
**11 U.S.C. § 727(a)(2)(B)**

216. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 215.

217. 11 U.S.C. § 727(a)(2)(B) provides that the Court shall deny a debtor a discharge when “with the intent to hinder, delay, or defraud a creditor or an officer of the estate charged with custody of property under this title, the debtor has transferred, removed, destroyed, mutilated or concealed, or has permitted to be transferred, removed, destroyed, mutilated or concealed ... property of the estate, after the date of filing of the petition.”

218. By transferring, removing or concealing assets as detailed above, the Defendants transferred, removed, destroyed, mutilated or concealed property of the estate, after the date of the filing the Petition with the intent to hinder, delay, or defraud a creditor or an officer of the estate charged with the custody of property under this title.

219. Specifically, the allegations that support a denial of the Defendants’ discharge under 11 U.S.C. § 727(a)(2)(B) include, but are not limited to, paragraphs 5, 7-19, 51, 98-100.

220. Therefore, the Defendants Steven Brice Wibracht and Erin Michelle Wibracht should be denied their discharge pursuant 11 U.S.C. § 727(a)(2)(B).

**COUNT III**  
**FOR DENIAL OF DISCHARGE OF STEVEN AND ERIN WIBRACHT**  
**11 U.S.C. § 727(a)(3)**

221. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 220.

222. 11 U.S.C. § 727(a)(3) provides that the Court shall deny a debtor a discharge when “the debtor has concealed, destroyed, mutilated, falsified, or failed to keep or preserve any recorded information, including books, documents, records, and papers, from which the debtor’s financial condition or business transactions might be ascertained, unless such act or failure to act was justified under all of the circumstances of the case.”

223. As detailed above, the Defendants concealed, destroyed, mutilated, falsified, or failed to keep or preserve any recorded information, including books, documents, records, and papers, from which the Defendants’ financial condition or business transactions might be ascertained, and such actions or failures to act were not justified under all of the circumstances of this case.

224. Specifically, the allegations that support a denial of the Defendants’ discharge under 11 U.S.C. § 727(a)(3) include, but are not limited to, paragraphs 5, 7-210.

225. Therefore, the Defendants Steven Brice Wibracht and Erin Michelle Wibracht should be denied their discharge pursuant 11 U.S.C. § 727(a)(3).

**COUNT IV**  
**FOR DENIAL OF DISCHARGE OF STEVEN AND ERIN WIBRACHT**  
**11 U.S.C. § 727(a)(4)(A)**

226. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 225.

227. 11 U.S.C. § 727(a)(4)(A) provides that the Court shall deny a debtor a discharge

if “the debtor knowingly and fraudulently made a false oath or account.”

228. Upon information and belief, as detailed above, the Defendants have made false oaths or accounts on their Schedules, First Amended Schedules, and Second Amended Schedules.

229. Upon information and belief, as detailed above, the Defendants have made false oaths or accounts on their SOFA, their First Amended SOFA, and their Second Amended SOFA.

230. Upon information and belief, as detailed above, the Defendants have made false oaths or accounts during their testimony during the First Meeting of Creditors, the Second Meeting of Creditors, and the UST’s 2004 Examination.

231. Upon information and belief, as detailed above, these false oaths or accounts were made knowingly and fraudulently.

232. Specifically, the allegations that support a denial of the Defendants’ discharge under 11 U.S.C. § 727(a)(4)(A) include, but are not limited to, paragraphs 5, 7-210.

233. For each of these false oaths and accounts, the Defendants Steven Brice Wibracht and Erin Michelle Wibracht should be denied their discharge pursuant 11 U.S.C. § 727(a)(4)(A).

**COUNT V**  
**FOR DENIAL OF DISCHARGE OF STEVEN AND ERIN WIBRACHT**  
**11 U.S.C. § 727(a)(5)**

234. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 233.

235. 11 U.S.C. § 727(a)(5) provides that the Court shall deny a debtor a discharge if “the debtor has failed to explain satisfactorily, before determination of denial of discharge under this paragraph, any loss of assets or deficiency of assets to meet the debtor’s liabilities.”

236. As detailed above, the Defendants have failed to explain satisfactorily the loss of

assets or deficiency of assets to meet their liabilities.

237. Specifically, the allegations that support a denial of the Defendants' discharge under 11 U.S.C. § 727(a)(5) include, but are not limited to, paragraphs 5, 7-210.

238. Because the Defendants have failed to explain satisfactorily, before determination of denial of discharge, the loss of assets or the deficiency of assets to meet their liabilities, the Defendants Steven Brice Wibracht and Erin Michelle Wibracht should be denied their discharge pursuant 11 U.S.C. § 727(a)(5).

### **PRAYER**

WHEREFORE, Plaintiff Travelers Casualty and Surety Company of America prays for the following relief:

1. On Count I against the Defendants Steven Brice Wibracht and Erin Michelle Wibracht, for an order by this Court denying the Defendants Steven Brice Wibracht and Erin Michelle Wibracht's discharge from their debts pursuant to 11 U.S.C. § 727(a)(2)(A);

2. On Count II against the Defendants Steven Brice Wibracht and Erin Michelle Wibracht, for an order by this Court denying the Defendants Steven Brice Wibracht and Erin Michelle Wibracht's discharge from their debts pursuant to 11 U.S.C. § 727(a)(2)(B);

3. On Count III against the Defendants Steven Brice Wibracht and Erin Michelle Wibracht, for an order by this Court denying the Defendants Steven Brice Wibracht and Erin Michelle Wibracht's discharge from their debts pursuant to 11 U.S.C. § 727(a)(3);

4. On Count IV against the Defendants Steven Brice Wibracht and Erin Michelle Wibracht, for an order by this Court denying the Defendants Steven Brice Wibracht and Erin Michelle Wibracht's discharge from their debts pursuant to 11 U.S.C. § 727(a)(4);

5. On Count V against the Defendants Steven Brice Wibracht and Erin Michelle



Wibracht, for an order by this Court denying the Defendants Steven Brice Wibracht and Erin Michelle Wibracht's discharge from their debts pursuant to 11 U.S.C. § 727(a)(5); and

6. For such other and further relief as the Court deems just and proper.

DATE: May 25, 2018

Respectfully submitted,

**WATT TIEDER HOFFAR & FITZGERALD, LLP**

1765 Greensboro Station Place, Suite 1000

McLean, Virginia 22102

Telephone: (703) 749-1000

Facsimile: (703) 893-8029

By: /s/ Jennifer Larkin Kneeland

Jennifer L. Kneeland (*Admitted Pro Hac Vice*)

Email: [jkneeland@watttieder.com](mailto:jkneeland@watttieder.com)

-AND-

**PULMAN, CAPPUCCIO,**

**PULLEN, BENSON & JONES, LLP**

2161 NW Military Highway, Suite 400

San Antonio, Texas 78213

[www.pulmanlaw.com](http://www.pulmanlaw.com)

(210) 222-9494 Telephone

(210) 892-1610 Facsimile

By: /s/ Thomas Rice

Randall A. Pulman

Texas State Bar No. 16393250

[rpulman@pulmanlaw.com](mailto:rpulman@pulmanlaw.com)

Thomas Rice

Texas State Bar No. 24025613

[trice@pulmanlaw.com](mailto:trice@pulmanlaw.com)

**ATTORNEYS FOR TRAVELERS CASUALTY AND SURETY  
COMPANY OF AMERICA**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this document was transmitted Via CM/ECF on May 25<sup>th</sup>, 2018 to the following attorney of record for Defendants as set forth below:

**Via CM/ECF [marty@seidlerlaw.com](mailto:marty@seidlerlaw.com); [ecfseidlerlaw@yahoo.com](mailto:ecfseidlerlaw@yahoo.com)**

Martin Seidler

Law Offices of Martin Seidler

One Elm Place, Suite E504

11107 Wurzbach Road

San Antonio, Texas 78230

***Counsel to Defendants***

/s/ Thomas Rice

Thomas Rice

# **EXHIBIT 1**

**Selected Excerpts from Transcript of  
Section 341 First Meeting of Creditors  
November 2, 2017**

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION

In Re: )  
STEVEN BRICE WIBRACHT & ) Case No. 17-52300-RBK  
ERIN MICHELLE WIBRACHT, ) CHAPTER 7  
Debtors. )

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NOVEMBER 2, 2017

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On the 2nd day of November, 2017, the following proceedings came on to be heard in the above-entitled cause before Jose Rodriguez, Trustee, held at the Federal Bankruptcy Court, 615 East Houston, San Antonio, Texas 78205;

Proceedings reported by stenotype machine;  
Reporter's Record produced by computer-aided transcription.

A-P-P-E-A-R-A-N-C-E-S

CHAPTER 7 PANEL TRUSTEE:

JOSE C. RODRIGUEZ  
342 West Woodlawn, Suite 103  
San Antonio, Texas 78212  
PHONE: 210.738.8881  
E-MAIL: Jrodslaw@sbcglobal.net

FOR STEVEN BRICE WIBRACHT AND ERIN MICHELLE WIBRACHT:

MARTIN WARREN SEIDLER  
LAW OFFICES OF MARTIN SEIDLER  
11107 Wurzbach Road, Suite 504  
San Antonio, Texas 78230  
PHONE: 210.694.0300  
E-MAIL: Marty@seidlerlaw.com

FOR TRAVELERS INSURANCE:

JENNIFER LARKIN KNEELAND  
WATT, TIEDER, HOFFAR & FITZGERALD, LLP  
1765 Greensboro Station Place  
McLean Virginia 22102  
PHONE: 703.749.1026  
FAX: 703.893.8029  
E-MAIL: Jkneeland@wattttieder.com

- and -

THOMAS RICE  
PULMAN, CAPPuccio, PULLEN, BENSON & JONES, LLP  
2161 Northwest Military Highway, Suite 400  
San Antonio, Texas 78213  
PHONE: 210.222.9494  
FAX: 210.892.1610  
E-MAIL: Trice@pulmanlaw.com

ALSO PRESENT:

ANN KILLIAN,  
U.S. Trustee's Office;

ALLEN WILSON,  
For Brazos Reserve, LLC;

MS. JULIE VERASTEGUI,  
Certified Court Reporter.

1 MR. SEIDLER: You need to see the  
2 declaration for the W-2?

3 TRUSTEE: No, no, no. I was on the other  
4 screen. Thank you, though.

5 And the numbers on those Social Security  
6 cards do match the numbers that are on the petition, so  
7 I'm going to hand those items back to you.

8 Have you both had a chance to read the  
9 bankruptcy information sheet before today's meeting?

10 MR. WIBRACHT: Yes, sir.

11 MRS. WIBRACHT: Yes.

12 TRUSTEE: Do either of you have any  
13 remaining questions concerning that notice?

14 MR. WIBRACHT: No.

15 MRS. WIBRACHT: No.

16 TRUSTEE: Mr. Seidler has in front of you  
17 a signature page on a petition.

18 Mr. Wibracht, is that your signature?

19 MR. WIBRACHT: Yes.

20 TRUSTEE: Mrs. Wibracht, is that your  
21 signature?

22 MRS. WIBRACHT: Yes.

23 TRUSTEE: Now, before the two of you  
24 signed off on that document, did you have a chance to  
25 read the petition, the schedules and all the statements

1 that were prepared and filed on your behalf?

2 MR. WIBRACHT: Yes.

3 MRS. WIBRACHT: Yes.

4 TRUSTEE: Are you both personally familiar  
5 with all the information that you're disclosing in these  
6 schedules and statements?

7 MRS. WIBRACHT: Yes.

8 MR. WIBRACHT: Yes.

9 TRUSTEE: Is this information true and  
10 correct, to the best of your knowledge and belief, as of  
11 the date of the filing of the case?

12 MRS. WIBRACHT: Yes.

13 MR. WIBRACHT: Yes.

14 TRUSTEE: Now, since the filing of the  
15 case, have you thought of any changes or corrections  
16 that have come to mind that you need to make to any of  
17 these schedules and statements?

18 MRS. WIBRACHT: No.

19 MR. WIBRACHT: No.

20 TRUSTEE: Do these schedules as filed show  
21 a list of all of your property?

22 MRS. WIBRACHT: Yes.

23 MR. WIBRACHT: Yes.

24 TRUSTEE: And, likewise, do these  
25 schedules as filed show a list of all of your creditors?

1 MRS. WIBRACHT: Yes.

2 MR. WIBRACHT: Yes.

3 TRUSTEE: Have either of you previously  
4 filed for bankruptcy protection?

5 MRS. WIBRACHT: No.

6 MR. WIBRACHT: No.

7 TRUSTEE: And are either of you subject to  
8 a domestic support obligation?

9 MRS. WIBRACHT: No.

10 MR. WIBRACHT: No.

11 TRUSTEE: Thank you. I believe we have  
12 some interested parties.

13 So who wants to begin? Mr. Wilkens?

14 MR. WILKENS: James Wilkens. I represent  
15 Steve and Paula Usinger [phonetic]. They sold a lot to  
16 the debtors. It's a lot at River Crossing.

17 And the schedule -- the reason why I'm  
18 here is just to advise you that the debt to my clients  
19 was approximately 35,000 and some change, and the  
20 debtors listed the value at 70,000. My clients believe  
21 it's probably worth around 100,000.

22 So you'll need to notice it as an asset  
23 case and let everybody file a claim.

24 TRUSTEE: Okay. Thank you.

25 Is there someone else? Yes, sir?



1 MR. TREVINO: I represent --

2 TRUSTEE: Why don't you come over here so  
3 that they can see you and you can see them?

4 MR. TREVINO: All right. Musquiz  
5 Construction.

6 TRUSTEE: Could you spell that?

7 MR. TREVINO: M-U-S-Q-U-I-Z. And he --  
8 And he --

9 TRUSTEE: Okay. Hold on a second.

10 MR. SEIDLER: Come closer so we can hear  
11 you better.

12 TRUSTEE: Yeah. Have a seat. Musquiz  
13 Construction?

14 MR. TREVINO: Yeah.

15 TRUSTEE: And your name?

16 MR. TREVINO: It's Javier Trevino.

17 TRUSTEE: And, Mr. Trevino, what is your  
18 relationship with Musquiz Construction?

19 MR. TREVINO: He's my neighbor.

20 TRUSTEE: And you have a question?

21 MR. TREVINO: Yeah. Mr. Musquiz is owed  
22 \$30,000 by Mr. -- I can't pronounce his last name.

23 TRUSTEE: "Wibracht."

24 MR. TREVINO: Yeah. So -- And he has gone  
25 through a lot of -- Like I tell you, he's my neighbor.

1 Last night he told me, "Can you just come and  
2 represent?" And that's what I'm doing.

3 TRUSTEE: Okay.

4 MR. TREVINO: So he just -- like I said,  
5 he -- he really went through a lot of suffering and all  
6 this other stuff because of whatever -- all the other  
7 things that he had to pay because he didn't -- you know,  
8 because Mr. Wibracht didn't pay him.

9 TRUSTEE: Okay. The purpose of this  
10 meeting is to ask any questions you might have of the  
11 debtors concerning the debts or concerning their  
12 financial disclosures that they have made.

13 MR. TREVINO: The only thing Mr. Musquiz  
14 told me was if --

15 TRUSTEE: No. Wait. Wait. That is a  
16 question that you have to ask. Do you have any specific  
17 question you would like to ask?

18 MR. TREVINO: Would you like to pay with  
19 one of your tractors?

20 MR. SEIDLER: The answer is no. There are  
21 two tractors. There's a Mahindra and another one, and  
22 we're giving them back to the creditor.

23 But it's my understanding that Musquiz  
24 Construction did business with a company called Core  
25 Logistics and Mr. Wibracht doesn't owe the money. I

1 think it's Core Logistics, and that's out of business.

2 So maybe there was a disconnect here,  
3 because I'm just -- I asked Mr. Wibracht, "Who is this  
4 guy?" and he said, "Well, it sounds like" --

5 He -- Mr. Wibracht got out of Core  
6 Constructor -- Core Logistics. He was in it for a  
7 little while; then he got out and it continued to do  
8 business. So maybe that -- that's -- that's the  
9 confusion. But to my understanding, Mr. Wibracht  
10 personally never dealt with Musquiz Construction, so it  
11 must have been Core.

12 MR. TREVINO: I don't know. He got the --

13 TRUSTEE: Yes. No, no. I understand.  
14 And here's what -- The point he's trying to make is, the  
15 debtors are then -- are -- they are here presenting  
16 themselves as debtors in their personal names, and if  
17 there's a corporate name or a partnership name or any  
18 other kind of name, a business, and it's a legal entity,  
19 the claim that Musquiz might have might not be directed  
20 at them and might be directed at another company --

21 MR. TREVINO: Okay.

22 TRUSTEE: -- or another business.

23 Now, this is a proof-of-claim process, and  
24 if you want, you can wait for me and I'll be happy to  
25 explain what can be done at a later point. If you -- If

1 you want to get some information or you want some  
2 information --

3 MR. TREVINO: I'll do that.

4 TRUSTEE: -- I'll be happy to provide  
5 that.

6 MR. TREVINO: Okay. Thank you.

7 TRUSTEE: Thank you. Just wait, and I'll  
8 be happy to visit with you.

9 So is there -- are there any other  
10 questions?

11 MS. KNEELAND: Yes.

12 MR. RICE: Jose, Tom Rice on behalf of  
13 Travelers. I just want to clarify something that  
14 Mr. Wilkens had asked.

15 Where on Schedule A is this lot in  
16 River Crossing listed? Which of the four properties are  
17 listed on Schedule A as the lot in River Crossing?

18 MR. WIBRACHT: 235 Steeplebrook.

19 TRUSTEE: It's on Page 2, Item 1.3.

20 MR. SEIDLER: Do you have a copy of the  
21 schedules? I can show you mine.

22 MR. RICE: Just I didn't see that -- we  
23 didn't see the cross-reference. We were trying to  
24 figure it out.

25 TRUSTEE: That's your only question?

1 MR. RICE: That's all I have.

2 MS. KNEELAND: No. We have some more.

3 TRUSTEE: Oh, you have some more?

4 MS. KNEELAND: My name is

5 Jennifer Kneeland. Good morning. And I'm here on

6 behalf of Travelers, as well.

7 EXAMINATION

8 BY MS. KNEELAND.

9 Q. How many vehicles do you own?

10 A. Me personally? Two.

11 Q. Okay.

12 A. I have a Range Rover. That's a lease.

13 MR. SEIDLER: She was just asking you a  
14 number.

15 MR. WIBRACHT: Okay.

16 Q. (By Ms. Kneeland) Okay. Can you describe the  
17 two vehicles that you just identified?

18 A. A 2016 F-250 and a 2007 Toyota Sequoia.

19 Q. Okay. A minute ago you just mentioned a Range  
20 Rover.

21 A. It's a lease.

22 Q. The Range Rover is a lease.

23 And then repeat the -- the other vehicles  
24 that you own.

25 MR. SEIDLER: Here they are. Starts here

1 and ends right here.

2 MR. WIBRACHT: A 2016 F-250 and a 2007  
3 Toyota Sequoia.

4 MR. SEIDLER: The schedules say it's a  
5 2010. We may have the wrong year.

6 Q. (By Ms. Kneeland) It's a 2016?

7 A. '7.

8 Q. '7.

9 Okay. And are there any other vehicles in  
10 yours household?

11 A. A 2016 Range Rover lease.

12 Q. Any others?

13 A. No. Well, specifically to the 2015 Jeep  
14 Wrangler, the vehicle was sold to 210 Development Group.  
15 And this 2013 Toyota Corolla, I was a cosigner.

16 Q. Uh-huh.

17 A. My sister has that vehicle.

18 Q. So you're pointing to Item 3.4, the Jeep  
19 Wrangler that you said was sold --

20 A. Yes.

21 Q. -- to 210 Development Group. What --

22 A. Back in 2016.

23 Q. What is 210 Development Group?

24 A. A development company here in San Antonio.

25 Q. And what is your relationship with 210

1 Development Group?

2 A. My personal relationship? Nothing.

3 Q. You have no personal relationship  
4 to 210 Development Group?

5 A. I mean, I have a personal relationship to one  
6 of the owners.

7 Q. Who are the owners of 210 Development Group?

8 A. Michael Wibracht and Mark Tolley.

9 Q. Who is Michael Wibracht?

10 A. My brother.

11 Q. He's an older brother or younger brother?

12 A. Older brother.

13 Q. And who is the other person that you mentioned?

14 A. Mark Tolley.

15 Q. Mark Tolley.

16 Could you spell his last name?

17 A. T-O-L-L-E-Y, I believe.

18 Q. When in 2016 did you sell the Jeep Wrangler to  
19 210 Development Group?

20 MR. SEIDLER: Do you know?

21 MR. WIBRACHT: It's --

22 MRS. WIBRACHT: I don't know.

23 MR. SEIDLER: Wait a minute. Just off the  
24 top of your head.

25 MR. WIBRACHT: I think it was February of

1 '16.

2 Q. (By Ms. Kneeland) Why did you sell the vehicle  
3 to 210 Development Group?

4 A. Because Michael was the one driving it.

5 Q. Why did you acquire the vehicle if your brother  
6 was driving it?

7 A. Because he was going through a divorce and  
8 didn't have a vehicle to haul around his four kids.

9 Q. Okay. What was the consideration exchanged for  
10 the vehicle?

11 A. He took over payments, the whole thing.

12 Q. Did you speak to the -- the note holder for the  
13 vehicle with respect to this arrangement?

14 A. No.

15 Q. So the note holder thinks that you have the  
16 vehicle and that you are responsible for making the  
17 payments, correct?

18 A. Correct.

19 Q. And how much is the property worth?

20 A. Whatever -- I mean, I don't -- 25, 30 grand.  
21 It's a 2015 Jeep Wrangler.

22 Q. Okay. I'm sorry. I couldn't hear your answer.

23 A. I mean, 25,000. I don't know.

24 Q. 25? I thought you said 25 or 30 grand. Is  
25 that correct?



1 A. 25 to 30 grand. I don't know what it's worth.

2 Q. Okay.

3 A. I mean, I don't know how many miles are on it.

4 I don't know.

5 Q. Okay. And you said it was a 2015, or --

6 A. '15.

7 Q. -- what's the year?

8 Okay. What about the Toyota Corolla?

9 A. That was -- I cosigned for my sister on that  
10 vehicle, and I guess it was probably 2012 when I bought  
11 it -- or when she bought it, and she was -- needed a  
12 cosigner.

13 Q. Are there still payments owing on this vehicle?

14 A. Yeah. I think there's 2800 bucks, or  
15 something, she still owes on it.

16 Q. And how is the vehicle titled?

17 A. To my knowledge, it's Amanda Wibracht.

18 Q. If it's titled as Amanda Wibracht, why did you  
19 list it on your schedules?

20 MRS. WIBRACHT: Because we cosigned on it.

21 MR. WIBRACHT: Yeah.

22 Q. (By Ms. Kneeland) Okay. Going back to the Jeep  
23 Wrangler. Who made the payments on the Wrangler before  
24 you sold it to 210 Developers?

25 A. Core Constructors.

1 Q. Core Constructors? What's that?

2 A. It was a site company that I used to be  
3 involved with.

4 Q. And how were you involved with it?

5 A. I was one of the owners.

6 Q. When did you become an owner of Core  
7 Constructors?

8 A. Sometime in August of 2013, I believe.

9 Q. Does Core Constructors go by any other name?

10 A. I think the Core Logistics Services D/B/A Core  
11 Constructors.

12 Q. How much of Core Constructors or Core Logistics  
13 did you own?

14 A. At what time? In August of 2013?

15 Q. At the beginning, yes.

16 A. 25 percent.

17 Q. 25 percent.

18 And at any time did your ownership  
19 interest in this entity change from 25 percent?

20 A. Yes.

21 Q. And when?

22 A. I don't know the exact date. Sometime in 2014  
23 I believe it changed.

24 Q. And what did it change to become?

25 A. 50.

1 Q. 50 percent.

2 Who are the other owners of Core  
3 Constructors or Core Logistics?

4 A. Presently? Today?

5 Q. No. At 2015, when your ownership changed to  
6 20 -- to 50 percent, who were the other owners?

7 A. Michael Wibracht and Glenn Boltinghouse.

8 Q. And what percentages of the company did they  
9 own at that time?

10 A. 30 to 20.

11 Q. Okay. And do you continue to have an ownership  
12 interest in Core Constructors or Core Logistics?

13 A. No.

14 Q. And when did you cease becoming an owner of  
15 that entity?

16 A. March.

17 Q. Of this year?

18 A. Of this year.

19 Q. What did you get in exchange for relinquishing  
20 your ownership interest in that entity?

21 A. Nothing.

22 Q. You got nothing?

23 A. (Shaking head.)

24 Q. Who did you give your interest to?

25 A. Glenn Boltinghouse.

1 Q. Did you have the -- Did you have Core  
2 Constructors and Core Logistics appraised or valued at  
3 any time when you transferred 50 percent of your  
4 interest to Glenn Boltinghouse?

5 A. No.

6 Q. Why not?

7 A. Because it was upside down.

8 Q. How much money did Core Constructors make in  
9 2016? The gross income.

10 A. I don't know off the top of my head.

11 Q. Can you give me a ballpark gross income for  
12 2016 for Core Constructors or Core Logistics?

13 A. Gross? I have no idea. I mean, I could  
14 probably give you a ballpark on net.

15 Q. Did you file tax returns in 2016 for this  
16 entity?

17 A. I have not personally filed, no.

18 Q. Were they filed for this entity?

19 A. Well, it was a partnership, LLC, so it's all  
20 past due.

21 Q. So how did you account for the income of Core  
22 Constructors or Core Logistics in 2016?

23 A. I haven't yet.

24 Q. Would that be found on your tax return?

25 A. Yes.

1 Q. Did you file your taxes for 2016?

2 A. I have not filed yet.

3 Q. Have you filed them for 2015?

4 A. Correct.

5 Q. Did you account for your income for this  
6 company on -- in 2015 on your tax returns?

7 A. Yes.

8 Q. And what was the gross income for Core  
9 Logistics or Core Constructors in 2015?

10 MR. SEIDLER: Do you know?

11 MR. WIBRACHT: I don't know off the top of  
12 my head. I don't know off the top of my head.

13 Q. (By Ms. Kneeland) What was the gross income for  
14 Core Constructors or Core Logistics during the course of  
15 2017 prior to your transfer of your interest to  
16 Mr. Boltinghouse?

17 A. It was in bad shape.

18 Q. My question was: What was the income of the  
19 business, the gross --

20 A. I don't know. From January 1 to March -- to  
21 March of '17, I don't know.

22 Q. Isn't it true that in the month of February  
23 2017, its income was \$300,000 for the month?

24 A. I have no idea. I mean, gross? Net? I -- I  
25 have no idea.

1 Q. Did you -- What was your responsibilities with  
2 Core Logistics?

3 A. I was a field guy. I ran the office, all of  
4 it. I mean, we had bookkeeping.

5 Q. You ran the office and you were the field guy.  
6 How many employer -- employees did Core  
7 Logistics have?

8 A. Approximately 25 to 30.

9 Q. 25 to 30?

10 How many employees did it have when you  
11 gave your interest to Mr. Boltinghouse?

12 A. Maybe 12 to 14.

13 Q. In addition to being a field guy and working in  
14 the front office, what other duties did you have?

15 A. Get work, secure contracts.

16 Q. Get work and secure contracts.

17 What were some of the contracts and work  
18 that you secured?

19 MR. SEIDLER: I'm going to object. I  
20 think we're getting outside the scope of a 341 meeting  
21 and the debtors' assets and liabilities. You're talking  
22 about an entity in which he sold his interest before  
23 filing the bankruptcy, and maybe you ought to take  
24 Mr. Boltinghouse's deposition, who owns the company now,  
25 but --

1 MS. KNEELAND: Actually, he says he gave  
2 his interest to Mr. Boltinghouse, so you're looking at a  
3 fraudulent conveyance, which is something that the  
4 trustee should be very aware of.

5 MR. SEIDLER: No, I don't think he said  
6 that. He said he --

7 MS. KNEELAND: Yes, he did.

8 MR. SEIDLER: -- got nothing for it, but  
9 there was a partnership -- excuse me -- a membership  
10 interest agreement, which was furnished to the trustee.

11 MS. KNEELAND: Are you testifying on  
12 behalf of the debtors?

13 MR. SEIDLER: No. I'm supporting my  
14 objection and instruct the witness not to answer on  
15 something beyond the realm of a relevant inquiry at a  
16 341 meeting.

17 TRUSTEE: I think -- I think there's --  
18 you both raise good points, and I think there's some  
19 definite questions on whether or not that could be  
20 considered a -- an avoidable transfer. I do have this.  
21 I don't know if this has been provided to -- I did  
22 receive that.

23 Now, the question is on the value of the  
24 interest, and I don't see anything on the value. And I  
25 think that's her point that she's trying to establish;

1 was there a value. And -- And your point is, well, this  
2 has been disclosed.

3 But I think it would -- at least, if you  
4 could focus some of your questions to value, and if he  
5 says he does not know, maybe we would have to follow up  
6 with some additional requests for information. I think  
7 that's the best way to do it. We definitely don't want  
8 to do a full-blown deposition today.

9 MS. KNEELAND: Very well.

10 TRUSTEE: Okay.

11 Q. (By Ms. Kneeland) So what did you base your  
12 value of your ownership interest in Core Logistics on  
13 when you just testified that you gave the interest to  
14 Mr. Boltinghouse?

15 A. Based on the financial information we had, the  
16 work in progress that we had, I knew that the company  
17 had no value because it was 60 days from being in a  
18 negative cash position and on the brink of bankruptcy.

19 Q. Didn't you testify earlier that Core Logistics  
20 was paying for a Jeep Wrangler -- paying the car  
21 payments on a Jeep Wrangler?

22 A. Sometime in 2015.

23 Q. What other debts was Core Logistics paying that  
24 were not related to the business?

25 A. It didn't pay any debts not related to the



1 business. I mean, the Jeep Wrangler was being driven by  
2 one of the owners.

3 Q. So Core Logistics was paying for the vehicles  
4 for its owners?

5 A. Some of them.

6 Q. What income did you personally derive from Core  
7 Logistics in 2016?

8 A. A W-2 income minus whatever the, you know, K-1.

9 Q. Approximately how much?

10 A. 150 grand.

11 Q. 150,000 that you earned from Core Logistics in  
12 2015?

13 A. (Nodding head.)

14 Q. How much did you earn from Core Logistics in  
15 2016?

16 A. Oh, 2015 is what you asked? That was probably  
17 like a 100 grand.

18 Q. 100,000 in 2015?

19 A. (Nodding head.)

20 Q. What much about in 2016? How much did you earn  
21 from Core Logistics in 2016?

22 A. Approximately 150,000.

23 Q. And so far this year, in 2017, how much have  
24 you earned from Core Logistics? How much has it paid  
25 you?

1 A. Currently --

2 Q. At the time you transferred your interest to  
3 Mr. Boltinghouse.

4 A. I mean, that's -- construction equipment.

5 Q. Does Core Logistics own an interest in an LLC  
6 called Wishing Star Ranch?

7 A. Yes. Well, Wishing Star Ranch is, I think,  
8 defunct now.

9 Q. How much interest in Wishing Star Ranch does  
10 Core Logistics own?

11 A. As of the member transfer agreement, it was  
12 50 percent.

13 Q. And what property does Wishing Star Ranch own?

14 A. Currently, nothing.

15 Q. What property did Wishing Star Ranch own?

16 A. They owned a piece of property over in Seguin.  
17 Maybe it's listed in here. It was a piece of property  
18 off of Wishing Star Drive.

19 Q. Can you describe the property, please?

20 A. It's 107 acres, I believe.

21 Q. 107 acres?

22 A. Yeah. Rural.

23 Q. When did it acquire 107 acres?

24 A. I believe that was in 2013, 2014. Early '14,  
25 yeah.

1 Q. 2013, 2014.

2 When did it dispose of 107 acres?

3 A. 2017.

4 Q. In 2017? When in 2017?

5 A. I believe it closed in April or May.

6 Q. Okay. Who was the purchaser of the 107 acres  
7 that Wishing Star Ranch owned?

8 A. I don't know. It was listed with a real estate  
9 agent. I don't know who purchased it.

10 Q. You don't know who purchased it?

11 A. No.

12 Q. What was the purchase price?

13 A. I don't know that either. I will tell you  
14 exactly what I do know, is that --

15 MR. SEIDLER: All she asked you was who  
16 the purchaser is.

17 MR. WIBRACHT: I don't know.

18 Q. (By Ms. Kneeland) Tell me what you know.

19 A. I just know that this agreement got executed.

20 MR. SEIDLER: And you're referring to  
21 what?

22 MR. WIBRACHT: The membership interest  
23 purchase agreement. That Core Logistics piece of the  
24 sale price went to repay a portion of the line of credit  
25 at Texas Capital Bank.

1 MR. SEIDLER: I think he said he didn't  
2 own any --

3 MR. WIBRACHT: Is that what you're asking?  
4 I did not have --

5 Q. (By Ms. Kneeland) Yes. My answer [sic] is: Do  
6 you stand behind your answer of "no" in response to  
7 Question 19? That's my --

8 A. Yes.

9 Q. That's my question to you.

10 A. Yes.

11 Q. Okay. Are you aware that on April 1st of 2016  
12 you provided a personal financial statement to Compass  
13 Bank in which you listed \$350,000 in non-publicly-traded  
14 securities that you owned?

15 A. I couldn't tell you the date, but I'm sure  
16 that -- I know I provided Compass Bank a...

17 Q. So the listing of \$350,000 in  
18 non-publicly-traded securities that you disclosed to  
19 Compass Bank, what were you referring to?

20 A. Probably Core Logistics. Without seeing them,  
21 that would be my assumption.

22 Q. Only Core, or any other interest in  
23 non-publicly-traded securities made up the \$350,000?

24 A. What was the date?

25 Q. April 1st of 2016.

1 A. That was the only company I owned at the time.

2 Q. Okay. So on April 1, 2016, you were listing  
3 your value in Core at 350,000?

4 A. Yes.

5 Q. I want to turn your attention to Question 31 on  
6 Schedule B. It deals with interest and insurance  
7 policies. Your answer to Question 31 was "no."

8 Do you stand behind that answer?

9 MR. SEIDLER: We're looking for it.

10 (Sotto voce discussion between  
11 Mr. Wibracht and Mr. Seidler.)

12 MR. SEIDLER: Well, health, disability and  
13 life insurance, health savings accounts, that's what she  
14 wants to know. Those are the examples.

15 MR. WIBRACHT: No. Yes, I stand by my  
16 answer.

17 Q. (By Ms. Kneeland) You have no interest in life  
18 insurance policies?

19 A. No. I mean, I may have 100,000-dollar policy  
20 with State Farm or something.

21 Q. You may have 100,000-dollar policy with State  
22 Farm?

23 MR. SEIDLER: Do you know?

24 MR. WIBRACHT: I know I do.

25 MR. SEIDLER: Do you? Okay. It wasn't

1 A. No.

2 Q. Have you ever received any money or payments  
3 from 210 Developers, LLC?

4 A. No.

5 Q. 1875 Thompson Place, LLC. Are you familiar  
6 with this entity?

7 A. That was a Michael Padron deal. I mean, I know  
8 what it is. I know it's an apartment complex, but I  
9 never --

10 MR. SEIDLER: The question is: Were you  
11 involved with it?

12 MR. WIBRACHT: No.

13 Q. (By Ms. Kneeland) You ever received any money  
14 or payments from 1875 Thompson Place, LLC?

15 A. No.

16 Q. Okay. And Jamco Group 8, LLC?

17 A. No.

18 Q. You have no involvement with that company?

19 A. No.

20 Q. Jamco Group 4, LLC. Do you have any  
21 involvement with that company?

22 A. No.

23 Q. HCV Holdings, LLC. Do you have any  
24 involvement?

25 A. No.

1 Q. Do you know who has involvement in these  
2 entities that I've just listed?

3 A. Yes.

4 Q. And who?

5 A. Mike Padron.

6 Q. For all of the ones I've just listed?

7 A. Potentially.

8 Q. Is there anybody else aside from Michael  
9 Padron?

10 A. Joe Muniz.

11 MR. SEIDLER: That's what she's going for.

12 Q. (By Ms. Kneeland) Joe Muniz.

13 Aside from Michael Padron and Mr. Muniz,  
14 anyone else?

15 A. I mean, ma'am, I don't -- I mean, I just know  
16 those were the two -- two wheels. I mean, I don't know  
17 who else may or may not.

18 Q. That's fine.

19 How about Towerland Holdings, LLC? Do you  
20 have an interest in that company?

21 A. No.

22 Q. Do you know who does?

23 A. I'd be speculating.

24 Q. Isn't it true you're involved with a company  
25 called Costa Offshore, LLC?

1 Q. I want to turn to your statement of financial  
2 affairs.

3 At Part 2, you list your gross income for  
4 this year, up through your petition date, of \$65,742.42.  
5 Is this correct?

6 MR. SEIDLER: We're looking for that page.

7 MS. KNEELAND: Sure. Take your time.

8 MR. SEIDLER: January 1st to the date of  
9 bankruptcy, 65,742.

10 MR. WIBRACHT: Uh-huh.

11 Q. (By Ms. Kneeland) And what were the sources of  
12 income that comprised this 65,000-dollar figure?

13 A. Core and Brown Excavation.

14 Q. Core and Brown Excavation?

15 A. Correct.

16 Q. Did you receive money from any other source  
17 other than Core or Brown Excavation?

18 A. As far as income -- W-2 income, or something  
19 like that?

20 Q. The question is: Did you have any income from  
21 employment or from operating a business during this  
22 year?

23 A. No. Those are the only two.

24 Q. So Core and Brown?

25 A. Correct.



1 Q. And those two -- those two receipt -- sources  
2 of income totaled the 65,000 here?

3 A. Correct.

4 MS. KNEELAND: Okay. And, Mrs. Wibracht,  
5 you're listed at \$9,414; is that correct?

6 MRS. WIBRACHT: Yes.

7 MS. KNEELAND: And what's the source of  
8 that?

9 MRS. WIBRACHT: For this year?

10 MS. KNEELAND: Correct.

11 MRS. WIBRACHT: Comal ISD. I'm a teacher.

12 Q. (By Ms. Kneeland) Okay. For 2016, you list  
13 \$200,000, Mr. Wibracht, as your gross income with an  
14 asterisk that says "estimated."

15 Why did you estimate your income for 2016?

16 A. Because I don't -- I don't have all the  
17 documents yet.

18 Q. What documents do you have?

19 A. I've got W-2s. That's it.

20 Q. W-2s from whom?

21 A. From Core.

22 Q. From Core.

23 A. And from --

24 MRS. WIBRACHT: Medina Valley ISD.

25 MR. WIBRACHT: -- Medina Valley, where my

1 wife worked.

2 Q. (By Ms. Kneeland) Okay. What documents are you  
3 missing?

4 A. I don't have K-1s. I don't know what -- I  
5 don't know -- I have don't have the Core documents yet.

6 Q. You don't have the Core documents.

7 Who's working on the Core documents?

8 A. I don't know. I'm trying to get them. The CPA  
9 apparently hasn't been paid.

10 Q. Who's the CPA?

11 A. Hanke.

12 Q. Can you spell that?

13 A. H-A-N-K-E, I believe.

14 Q. He's here in San Antonio?

15 A. Yes.

16 MS. KNEELAND: And, Mrs. Wibracht, you're  
17 listed at \$20,000 with an asterisk as estimated for your  
18 income in 2016.

19 Why did you estimate that?

20 MRS. WIBRACHT: I had a baby, and so some  
21 of it was from insurance and things like that. And so  
22 it was estimated what I made for that half of the year,  
23 because it wasn't exact because I didn't work that whole  
24 year.

25 MS. KNEELAND: Okay. Congratulations.

1 Q. (By Ms. Kneeland) In 2015, Mr. Wibracht, you  
2 list \$143,400.

3 What are the sources of that income?

4 A. Core.

5 Q. Core. Any other source in 2015?

6 A. No.

7 Q. Okay. So you've testified, if I can summarize  
8 it -- and please let me know if I'm wrong -- that the  
9 income here that you listed in response to Question 4 on  
10 your statement of financial affairs is comprised of Core  
11 and, for this year, for Brown Excavation.

12 Are there any other sources of income  
13 derived from your employment or from operating a  
14 business for these -- this period?

15 A. No.

16 Q. Okay. Moving down to the bottom of the page,  
17 you say that you -- the question is: "Did you receive  
18 any other income during this year or the two previous  
19 years?"

20 So we're talking about other income not  
21 related to operating a business or from your employment,  
22 correct?

23 A. Correct.

24 Q. Okay. You list a Ferrari for \$80,000 that you  
25 disposed of.

1 When did you sell the Ferrari?

2 A. April or May of this year.

3 Q. Who did you sell it to?

4 A. I sold it back to the person I bought it from.

5 Q. And who is the person you bought it from?

6 A. Silverstone Auto Group.

7 Q. Was the car subject to a car payment?

8 A. Yes.

9 Q. And how much?

10 A. How much was owed on it when I sold it?

11 Q. Correct.

12 A. 80,000.

13 Q. And you sold it for 80,000?

14 A. Correct.

15 Q. So it was a wash?

16 A. Correct.

17 Q. Okay. Did you have an appraisal or any type of  
18 valuation of the car before you sold it?

19 A. No. I mean, I had an idea of what it's worth  
20 based on NADA, CarFax, Car Trader. You know, it's not  
21 real hard to --

22 Q. What was the year and model of the Ferrari?

23 A. 2006 Ferrari F430.

24 Q. I'm sorry. I was coughing. Could you --

25 A. 2006 Ferrari F430.

1 Q. Did the Ferrari have any special upgrades --

2 A. No.

3 Q. -- or features?

4 The second item that you listed as sources  
5 of income were "Ford/Chevy, Ford," \$68,500. Do you see  
6 that?

7 A. Yes.

8 Q. Can you more specifically describe that  
9 notation?

10 A. I traded a 2015 Chevy 2500 and a 2013 Ford  
11 F-350. I traded both of those vehicles in on a single  
12 Ford F-250.

13 Q. Okay. And so the two vehicles, the value of  
14 those was \$68,500?

15 MR. SEIDLER: That's the payoff.

16 MR. WIBRACHT: There it is right there. I  
17 mean, we were off a little bit.

18 (Sotto voce discussion between  
19 Mr. Wibracht and Mr. Seidler.)

20 MR. WIBRACHT: The cash -- The trade-in  
21 was 73,500.

22 MR. SEIDLER: No, no, no. That's --  
23 That's the payoff. The gross trade-in --

24 MR. WIBRACHT: Gross trade-in was 73,000.  
25 The payoff was 67,600.

1 \$60,886.02.

2 Can you describe these items, please?

3 A. Rolex watches and guns.

4 Q. Okay. Did you have the Rolex watch appraised?

5 A. Did I have them appraised? No.

6 Q. Who did you sell them to?

7 A. Diamond & Jewelry Exchange.

8 Q. How much did you get for them?

9 A. Let me see. I think I wrote it down. 17,000.

10 Q. How many watches were there?

11 A. Three.

12 Q. Three Rolex watches for \$17,000?

13 A. Correct.

14 Q. Where is the Diamond & Jewelry Exchange  
15 located?

16 A. I-10 and Huebner.

17 Q. I'm sorry?

18 A. I-10 and Huebner.

19 Q. When did you sell these watches?

20 A. A couple of months. In 2017.

21 Q. In 2017. What month in 2017?

22 A. I don't remember exactly now. I don't  
23 remember.

24 Q. Summer?

25 A. Summer.

1 Q. What did you do with the \$17,000?

2 A. Paid bills.

3 Q. What bills did you pay?

4 A. I'd have to look back at that. It's on my -- I  
5 mean, I deposited money in the bank. It's on the bank  
6 statements.

7 Q. When did you deposit the money in the bank?

8 A. Probably the day I sold them. There's two  
9 different occasions. There's two different  
10 transactions. I sold one and then I sold two. It was  
11 probably June, July, or somewhere like that. June or  
12 July is probably...

13 Q. June or July.

14 And what bank account did you deposit the  
15 money in?

16 A. Bank of America.

17 Q. Bank of America.

18 And then you said you paid bills. Do you  
19 recall what bills you paid?

20 A. I paid my American Express card. I use my  
21 American Express card for everything.

22 Q. So you paid your Amex.

23 Okay. Aside from the Rolex watches, what  
24 were the guns that you sold?

25 A. A .338 Sako rifle, 6.5 Creedmoor (inaudible) --

1 THE COURT REPORTER: I'm sorry?

2 TRUSTEE: Whoa, whoa, whoa. Take a little  
3 time.

4 Q. (By Ms. Kneeland) It's okay.

5 MR. WIBRACHT: I mean, she doesn't have a  
6 copy of this?

7 Q. (By Ms. Kneeland) No, I don't.

8 MR. WIBRACHT: .338 Sako --

9 TRUSTEE: What number are you referring to  
10 on that so she can follow along?

11 MR. SEIDLER: Statement of affairs,  
12 Question 18, bottom of Page 8, Drury's Guns, Hot Wells  
13 Boulevard, San Antonio. There's a list of the guns for  
14 \$23,386.02, sold in 2017.

15 MS. KNEELAND: Thank you.

16 Q. (By Ms. Kneeland) When in 2017?

17 A. February through summer, probably.

18 Q. And what did you do with the proceeds of the  
19 sale?

20 A. Paid bills. Deposited it in the bank.

21 Q. What bank account did you deposit the money  
22 into?

23 A. Bank of America.

24 Q. And what bills did you pay?

25 A. I mean, I don't -- household bills.



1 Q. Did you have the guns appraised?

2 A. No.

3 Q. On the same page, you talk about the transfer  
4 of a Polaris worth \$18,000 to Brown Excavation.

5 What did you get in exchange for  
6 transferring the Polaris to Brown Excavation?

7 A. Core Constructors owed Brown Excavation  
8 approximately \$27,000. And in the middle -- And while I  
9 was still with Core, in trying to benefit Core, make  
10 Core work for forgiveness of that -- that loan to -- I  
11 mean, the money from Brown -- the receiv -- the  
12 receivable to Brown, which is payable to Core, we  
13 swapped the Polaris for that payable.

14 Q. So the Polaris was titled in your name?

15 A. Correct.

16 Q. And you gave it to Brown Excavation to satisfy  
17 the debts of Core?

18 A. Correct.

19 Q. When did you do this?

20 A. December/January of --

21 Q. 2017?

22 A. -- '16 -- '16/'17.

23 Q. Okay. And you now work for Brown Excavation,  
24 correct?

25 A. Correct.

1 Q. And what is your position with Brown  
2 Excavation?

3 A. Operations manager.

4 Q. And what is your compensation arrangement with  
5 Brown?

6 A. 100,000 a year.

7 Q. How often are you paid?

8 A. Weekly.

9 Q. Do you have any other benefits?

10 MR. SEIDLER: Do you mean like insurance  
11 or pension or --

12 MS. KNEELAND: Bonuses, things like that.

13 MR. WIBRACHT: No.

14 Q. (By Ms. Kneeland) Your answer was "no"?

15 A. Health insuran -- I mean, I don't even have  
16 health insurance right now.

17 Q. Okay. You talk about the sale of silver  
18 bullion. When did you sell silver bullion?

19 A. Let me see.

20 MR. SEIDLER: It should be in here.

21 MR. WIBRACHT: It was this year, during  
22 the summer.

23 Q. (By Ms. Kneeland) Did you have it appraised?

24 A. (Shaking head.)

25 TRUSTEE: The answer is "no"?

1 you had valued at \$750,000 last year. What was the debt  
2 on that equipment?

3 MR. WIBRACHT: Is Komatsu here?

4 MR. SEIDLER: I don't know.

5 Do you know what the debt is?

6 MR. WIBRACHT: I mean, it -- it was  
7 approximately -- I want to say about two and a half  
8 million.

9 Q. (By Ms. Kneeland) Two and a half million?

10 A. Uh-huh.

11 Q. And who was the creditor?

12 A. Komatsu Caterpillar Financial. Komatsu --

13 Q. How did you come up with the value -- I'm sorry  
14 to interrupt you.

15 How did you come up with the value of  
16 \$750,000?

17 A. That was approximately the amount. Because  
18 when we split, that was about what we owned in equipment  
19 that was free and clear. You know, that was about the  
20 difference between the encumbrance amount and the un --  
21 what it was worth market value versus what was owed on  
22 it.

23 Q. I see. So the equipment is worth more than the  
24 two and a half million, that Core has?

25 A. That Core had.

1 A. The three schools.

2 Q. Okay. Just for sake of example, when Cadence  
3 McShane would pay you on a high school job, did you have  
4 a decision-making ability about where those funds went  
5 after that?

6 A. Yes.

7 Q. Is that true on all five of those projects?

8 A. Yes.

9 Q. Thank you.

10 So going back to the -- the Wrangler, I  
11 believe you said you transferred that in 2016.

12 A. Yes.

13 Q. And prior to transferring that, you said your  
14 brother used it, correct?

15 A. Correct.

16 Q. I think you testified it had to do with him  
17 having several kids. He needed transportation for his  
18 kids?

19 A. Yes.

20 Q. Is that -- Is that accurate?

21 A. Yes.

22 Q. It was titled in your name, though?

23 A. Yes.

24 Q. So would you say your brother used it primarily  
25 for personal use?

1 used it?

2 A. Tyler.

3 Q. Do you know his last name?

4 A. No.

5 Q. And did -- was Core the only one that made the  
6 payments on that Polaris until you sold it?

7 A. There was never a payment on it.

8 Q. They just bought it outright?

9 A. They bought it outright, yeah.

10 Q. And then I believe you said there was another  
11 asset that you owned personally that Core made payments  
12 on or paid for.

13 A. (Shaking head.)

14 Q. Just the Polaris?

15 A. And the F-350.

16 Q. And the F-350.

17 A. Oh, yeah, there is. The Mahindra tractor.

18 Q. What is the Mahindra tractor?

19 A. A Mahindra tractor.

20 Q. It was titled --

21 A. A farm -- farm tractor.

22 Q. Whose name was it titled under?

23 A. Mine.

24 Q. When was it purchased?

25 A. About the same time, March of '16.

1 Q. What did you use it for?

2 A. We used it to shred the field. We used it to  
3 shred for work. It was bought for work. It was cheaper  
4 to buy it personally than it was under a commercial  
5 account. Interest rates were better cheap -- was better  
6 personally. There was more incentives to buy it  
7 personally. It was less expensive. There was more  
8 rebates.

9 Q. Did you ever use it for your own personal use?

10 A. No.

11 Q. Did you --

12 A. Glenn did. It stayed at his house. It's at  
13 his house right now.

14 MR. SEIDLER: Glenn who?

15 MR. WIBRACHT: Boltinghouse.

16 Q. (By Mr. Wilson) Is it still titled in your  
17 name?

18 A. Yes.

19 Q. Has he paid you for it?

20 A. No.

21 Q. How much is it worth?

22 A. I think we paid 22,000 for it.

23 Q. Is there any lien on that?

24 A. Yes.

25 Q. All right. Who has the lien?

1 Q. Okay. On --

2 TRUSTEE: You've got to answer.

3 MR. WIBRACHT: "No."

4 TRUSTEE: Okay. Thanks.

5 Q. (By Ms. Killian) On the guns, watches, what you  
6 have is \$60,886. So I have received the one receipt  
7 from Drury's Gun Shop, and the total was \$4,545.

8 Was there any other guns that --

9 A. There was -- Yeah. The -- The checks went in  
10 my Bank of America account.

11 Q. Okay. Do you -- If there's any other receipts  
12 for any other guns, can you give that to your attorney  
13 for me --

14 A. Yes.

15 Q. -- please?

16 And you don't have a 2016 tax return?

17 A. No.

18 Q. Will it be completed or prepared anytime soon?

19 A. I -- I need to get with an accountant or my  
20 CPA, but I don't -- I mean, I've just got to...

21 Q. Okay. Would you be able to provide the W-2s  
22 that you said you had from Core Logistics?

23 A. Yes.

24 Q. Okay. Let me go through the --

25 Okay. In the lasts two years, have you

1 owned a 1966 Chevrolet truck?

2 A. Yes.

3 Q. Did you sell it?

4 A. Yes.

5 Q. When did you sell it?

6 A. About three months after I bought it.

7 Q. Which was when?

8 MRS. WIBRACHT: I don't know. It all  
9 blurs together.

10 MR. WIBRACHT: I may -- I think I've got a  
11 picture of it.

12 Q. (By Ms. Killian) Yeah. Is this it?

13 A. That would be on the day --

14 Q. Fully restored?

15 A. Yeah, that's it. But I took a picture of it  
16 the day I bought it.

17 MRS. WIBRACHT: And sent it to me, right?

18 MR. WIBRACHT: I'm sure.

19 MR. SEIDLER: Did you take one the day you  
20 sold it? That would help.

21 MR. WIBRACHT: I don't have it.

22 Q. (By Ms. Killian) Was it sold in 2017?

23 A. No.

24 Q. So it was sold in 2016?

25 A. It was sold in twenty -- possibly -- yes, 2016.



1 Q. If you could find -- Do you have any of the  
2 information of what you sold it for?

3 A. We were doing a project downtown San Antonio  
4 and it was V Trade [phonetic], and the utility sub that  
5 was on it is Brown Excavation, who I now work for today.

6 We had a contract. He was on top. He had  
7 the -- We were a sub to Brown on the job.

8 Q. Okay.

9 A. So he got paid by the GC. He paid us. He came  
10 to the shop and he saw the truck in our shop, and he  
11 told me he had to have it. I gave him the truck, and he  
12 increased the value of my contract by \$26,000.

13 Q. Is there any documentation for that?

14 A. (Shaking head.) But, I mean, that's -- that's  
15 what happened.

16 Q. Okay.

17 MR. SEIDLER: Did you sign the title over  
18 to V Trade?

19 MR. WIBRACHT: Yes. No, I signed the  
20 title over to Brown Excavation -- to Brown -- Robert  
21 Brown. He's got the truck. I mean, it's sitting at his  
22 house.

23 Q. (By Ms. Killian) And that was 2016. Well, if  
24 there's any documents that you have for that, that would  
25 be great.

1 was going to be a correction on the Toyota Sequoia. It  
2 should be a 2007?

3 A. It's a 2007, yes, ma'am.

4 Q. Okay. In the last two years, have you owned a  
5 2005 Ford Excursion?

6 A. Yes.

7 Q. When did you buy it and when did you sell it?

8 A. I sold it in 2016, and that money went back  
9 into Core.

10 Q. But it was in your name, right?

11 A. (Nodding head.)

12 Q. So you deposited -- Do you know how much it  
13 was?

14 MRS. WIBRACHT: It was to make payroll.

15 MR. WIBRACHT: Deposit was to make  
16 payroll, but --

17 MR. SEIDLER: But she wants to know how  
18 much you got for it.

19 MR. WIBRACHT: For the Excursion?

20 MR. SEIDLER: Yeah.

21 MR. WIBRACHT: 12,500. Purchase price was  
22 19,900.

23 Q. (By Ms. Killian) Do you have any documents for  
24 that?

25 A. I have the document of the sale, yeah. I sold

1 it to Carmax, because I -- I sold it on a Wednesday or  
2 Thursday night because I needed the money Friday.

3 Q. Okay. So if you could give that to your  
4 attorney...

5 A. Yeah. The sale documents?

6 Q. Yes.

7 A. Yeah.

8 Q. In the last two years, have you owned a 2011 --  
9 it's a utility trailer. It was registered in 2017.

10 A. Yes.

11 Q. Do you still have it?

12 A. No.

13 Q. What happened to it?

14 A. That went with the -- the Polaris.

15 Q. The ATV?

16 A. Yeah. They were bought as a package. It's a  
17 trailer to -- to haul the ATV.

18 Q. Okay. A 1986 black trailer registered in 2016.

19 A. A 1986?

20 Q. Uh-huh.

21 A. I have no idea what that is.

22 Q. It says a Top Hat Industries black trailer.

23 And I can try and get the DMV records if you don't have  
24 any --

25 A. A 1986 Top Hat? That's a Core trailer.

1 Q. Is that -- It's like an enclosed trailer? Is  
2 that what it --

3 A. No. It's a -- It's like a 22-foot gooseneck.

4 Q. But it was registered in your name?

5 A. Yeah.

6 Q. Okay.

7 MS. KILLIAN: I'm sorry. I'll make it  
8 quick.

9 TRUSTEE: That's all right.

10 MS. KILLIAN: It's been a long day.

11 Q. (By Ms. Killian) Let me -- Real quick, on your  
12 income. So if I'm looking at your bank statements and,  
13 let's say, I'm on 2017 when you have -- you had 65,742  
14 of wages in 2017, so if -- when I see SWBC payroll  
15 deposits for you, is that Core?

16 A. That's Core.

17 Q. Okay.

18 A. It was -- SWBC was our -- was our PEO company,  
19 and then we changed from SWBC to Lone Star.

20 Q. Okay. So the other deposits that aren't  
21 payroll from the school or the SWBC, they're just  
22 deposits, like a counter-deposit, were those from all  
23 the stuff that you sold that are reflected here?

24 A. (Nodding head.)

25 Q. So for 2017, deposits that are not clearly

1 identified as payroll were \$118,811.

2 Does that sound correct?

3 A. Probably one of -- one of those counter  
4 credits.

5 Q. Well, this was 2017. For 2016, for just  
6 deposits, I have 139,000. So those would be for items  
7 you were selling?

8 A. Not necessarily.

9 Q. What were the other sources of income?

10 A. When I use my personal American Express card --  
11 because we had a corporate card and a personal card, and  
12 there was times when I used -- our corporate -- the  
13 corporate side would be tapped out and I would use  
14 personal. So the company would issue me a check.

15 And the relationship I had at the branch  
16 of Bank of America where I would take the checks, they  
17 would give me a counter credit for them so the funds  
18 would be there available immediately.

19 So some of those counter credits are  
20 actually company check deposits as reimbursement checks,  
21 and a couple of those were previous-year IRS returns,  
22 because I had --

23 MR. SEIDLER: Refunds.

24 MR. WIBRACHT: Refunds. Because I had  
25 huge losses in '14 or '15.

1 Q. (By Ms. Killian) Well, I think the payments  
2 that I have for the American Express were over \$158,000.  
3 Does that sound right?

4 A. I'm sure.

5 Q. Would you be able to provide any of the  
6 statements of what was purchased with the American  
7 Express?

8 A. With my personal American Express? I mean, I  
9 don't think they -- I think they've got me locked out  
10 now.

11 MRS. WIBRACHT: Yeah. We actually cannot  
12 access the account. So I guess we could call and see if  
13 they can give us the statement.

14 MR. SEIDLER: We'll sign an authorization.

15 MS. KILLIAN: Okay. I'll do that.

16 Q. (By Ms. Killian) Okay. I have the gold and  
17 silver that you gave me before.

18 The other documents that you gave me were  
19 about a Porsche. So I don't have any Porsche that  
20 were --

21 A. That's the Ferrari.

22 MR. SEIDLER: I wrote "Porsche," but  
23 that's the Ferrari? I'm sorry. I got my cars mixed up.

24 Q. (By Ms. Killian) Okay. So there really wasn't  
25 anything in here. It was just you were just going to

1 MR. SEIDLER: That, we know we can't.

2 Q. (By Ms. Killian) Okay. Any of the source  
3 documents for the deposits. There was also a really  
4 large check. There was a -- Hold on.

5 At the end of November -- It was November  
6 2016. There was a check for \$35,000. It was check 669.  
7 Do you know what that was for?

8 A. It was written to Robert Brown.

9 Q. To who?

10 A. Robert Brown.

11 Q. Robert Brown?

12 A. Uh-huh.

13 Q. Who is Robert Brown?

14 A. Brown Excavation.

15 Q. Why did you pay him \$35,000?

16 A. I bought a Jeep from him.

17 Q. Is that the Jeep that's on your schedules?

18 A. (Shaking head.)

19 Q. What Jeep is that?

20 A. It's -- He has, like, a 2013 Rubicon.

21 Q. I don't know what that is.

22 A. It's just like a Wrangler.

23 Q. Okay.

24 A. And then I needed the money back, so he got his  
25 Jeep back. We never transferred titles; we never did

1 anything.

2 MR. SEIDLER: I didn't understand. So --

3 Q. (By Ms. Killian) So say that again.

4 A. I gave him a check for \$35,000. He cashed the  
5 check. I drove the Jeep home.

6 Q. Okay.

7 A. About 45 days later, I didn't -- Core didn't  
8 have the money to pay him and it was approximately  
9 30,000, and he said, "That's fine. Just give me my Jeep  
10 back."

11 Q. And he wrote you a check for -- gave you the  
12 money back?

13 A. I didn't make -- Core did not pay him the money  
14 that Core owed him.

15 MRS. WIBRACHT: So we had to sell the Jeep  
16 back to him to make --

17 MR. WIBRACHT: I sold the Jeep back to him  
18 to --

19 Q. (By Ms. Killian) So in February of 2017, when I  
20 see a deposit of 35,000, what is that?

21 A. What -- Was it on, like, the 13th or 14th?

22 Q. It's February 2nd, 2017.

23 A. Let me -- Can I see?

24 Q. Let me get the statement.

25 A. It was a company check. I paid American



UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION

In Re: )  
STEVEN BRICE WIBRACHT & ) Case No. 17-52300-RBK  
ERIN MICHELLE WIBRACHT ) CHAPTER 7  
Debtors. )

\*\*\*\*\*  
COURT REPORTER'S CERTIFICATE  
NOVEMBER 2, 2017  
\*\*\*\*\*

I, JULIE VERASTEGUI, Certified Court  
Reporter, in and for the State of Texas, do hereby  
certify that the above and foregoing contains a true and  
correct transcription of all portions of evidence and  
other proceedings requested by counsel for the parties  
to be included in this Reporter's Record, in the  
above-styled cause, all of which occurred during the  
bankruptcy hearing proceedings and were reported by me.

I further certify that this Reporter's  
Record of the proceedings truly and correctly reflects  
the exhibits, if any, offered by the respective parties.

I further certify that the total cost  
for the preparation of the Reporter's Record is

\$\_\_\_\_\_ and was paid by \_\_\_\_\_  
\_\_\_\_\_.

341 First Meeting of Creditors

Steven Brice Wibracht: United States Bankruptcy Court

1 Certified to by me this \_\_\_\_ day of  
2 \_\_\_\_\_, 2017.

3  
4 JULIE VERASTEGUI, Texas CSR 7637  
5 Expiration Date: 12/31/18  
6 Firm Registration No. 93  
7 Hoffman Reporting & Video Service  
8 The Locust Street Professional Building  
9 206 East Locust Street  
10 San Antonio, Texas 78212  
11 Phone: 210.736.3555  
12 Fax: 210.736.6679  
13  
14  
15  
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17  
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25

# **EXHIBIT 2**

**Selected Excerpts from Transcript of  
Continued Section 341 First Meeting of Creditors  
December 11, 2017**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION

IN RE: )  
STEVEN BRICE WIBRACHT AND ) CASE NO. 17-52300-rbk  
ERIN MICHELLE WIBRACHT, )  
Debtors. ) CHAPTER 7

\*\*\*\*\*

341 MEETING  
FIRST MEETING OF CREDITORS  
DECEMBER 11, 2017

\*\*\*\*\*

THIS 341 FIRST MEETING OF CREDITORS, was  
taken in the above styled and numbered cause on  
Monday the 11th day of December, 2017 from 1:07 p.m.  
to 3:00 p.m., before PAMELA SUE PETERSON, Certified  
Shorthand Reporter in and for the State of Texas,  
reported by stenographic and computer-aided  
transcription, at the U.S. Bankruptcy Court in the  
U.S. Post Office Building, 615 East Houston,  
Room 333, San Antonio, Texas 78205, pursuant to the  
Texas Rules of Civil Procedure and the provisions  
stated on the record or attached hereto.

1 APPEARANCES OF COUNSEL:

2 For Debtor STEVEN BRICE WIBRACHT AND ERIN MICHELLE  
3 WIBRACHT:

4 LAW OFFICES OF MARTIN W. SEIDLER  
5 BY: MARTIN W. SEIDLER, ESQUIRE  
6 One Elm Place  
7 Suite 504-E  
8 11107 Wurzbach Road  
9 San Antonio, Texas 78230  
10 (210) 694-0300  
11 marty@seidlerlaw.com

12 For Creditor TRAVELERS:

13 WATT, TIEDER, HOFFAR & FITZGERALD, L.L.P.  
14 BY: JENNIFER LARKIN KNEELAND, ATTORNEY AT LAW  
15 1765 Greensboro Station Place  
16 Suite 1000  
17 McLean, Virginia 22012  
18 (703) 749-1026  
19 jkneeland@watттtieder.com

20 and

21 PULMAN, CAPPuccio, PULLEN, BENSON & JONES, L.L.P.  
22 BY: THOMAS RICE, ESQUIRE  
23 2161 Northwest Military Highway  
24 Suite 400  
25 San Antonio, Texas 78213  
(210) 222-9494  
trice@pulmanlaw.com

Also Present:

STEVEN BRICE WIBRACHT  
Debtor

JOSE RODRIGUEZ  
Chapter 7 Trustee

KEVIN EPSTEIN, ESQUIRE  
U.S. Trustee's Office

1 APPEARANCES (Continued):  
2 ANN KELLIAN  
3 U.S. Trustee's Office  
4 PAMELA SUE PETERSON  
5 Certified Shorthand Reporter  
6  
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1 SAN ANTONIO, TEXAS, MONDAY, DECEMBER 11, 2017

2 1:07 P.M.

3  
4 THE COURT: These are the meetings that are  
5 scheduled meetings of creditors scheduled for today.  
6 Today is the 11th day of December 2017. The meetings  
7 that are scheduled for 1:00 p.m., the first meeting  
8 is Tract No. 1. This is Case Number 17-52300, Steven  
9 Brice Wibracht and Erin Michelle Wibracht; and  
10 Mr. Seidler is the attorney of record, Mr. Martin  
11 Seidler, and everybody is present.

12 Mr. Wibracht, if I could, would you raise  
13 your right hand again, please.

14 Do you solemnly swear or affirm to tell the  
15 truth, the whole truth, and nothing but the truth?

16 MR. WIBRACHT: Yes.

17 THE COURT: Thank you. Once again, your  
18 name for the record.

19 MR. WIBRACHT: Steven Wibracht.

20 THE COURT: Mr. Wibracht, this meeting was  
21 re-called to allow folks to get some additional  
22 information and have some time to review it, and  
23 there's two parties, at least two parties here  
24 present to ask some questions.

25 And I would assume -- Mr. Epstein?

1 MR. EPSTEIN: Yes, I'll ask for the  
2 U.S. Trustee.

3 THE COURT: Okay. He's appearing on behalf  
4 of the United States Trustee, and I'm going to allow  
5 him the opportunity to ask you some questions at this  
6 point. Thank you.

7  
8 STEVEN BRICE WIBRACHT,  
9 having been first duly sworn, testified as follows:

10  
11 EXAMINATION

12 BY MR. EPSTEIN:

13 Q. My name is Kevin Epstein. I'm an attorney  
14 with the United States Trustee.

15 MR. SEIDLER: Do you want to move forward  
16 so the microphone can pick you up? Sit next to  
17 Mr. Wibracht.

18 THE COURT: Or you can sit up here, if you  
19 want. Either way he will see you, and you'll see  
20 him.

21 Q. BY MR. EPSTEIN: Mr. Wibracht, you used to  
22 have an interest in a company called Core Logistics;  
23 correct?

24 A. Yes.

25 Q. What was your interest in Core Logistics?



1 A. 50 percent.

2 Q. You were the 50 percent owner?

3 A. Correct.

4 Q. And who owned the other 50 percent?

5 A. Michael Wibracht and Glen Boultinghouse.

6 Q. And how much did they each own?

7 A. 30 and 20.

8 Q. Who owned 30 and who owned 20?

9 A. Michael owned 30 and Glen owned 20.

10 Q. And what did Core Logistics do?

11 A. Commercial site work.

12 Q. You no longer -- are you still an owner of  
13 Core Logistics?

14 A. No.

15 Q. Why not?

16 A. Transferred my shares to Glen  
17 Boultinghouse.

18 Q. Why did you transfer your shares to Glen  
19 Boultinghouse?

20 A. Because he refused to let me take over his  
21 shares.

22 Q. And --

23 A. I offered to buy him out, let him out, but  
24 he didn't want out. He threatened a restraining  
25 order against me, so I said, "If that's what you

1 want, then you take the whole thing." He took the  
2 whole thing.

3 Q. And you just basically gave him the  
4 company? You didn't get anything in return; correct?

5 A. Correct.

6 MR. SEIDLER: There's a document that says  
7 the terms of the transfer that you have.

8 MR. EPSTEIN: Right, \$20.00 or something  
9 was the consideration or something like that.

10 THE REPORTER: Sorry, I apologize, but can  
11 we close that door?

12 THE COURT: Sure. I'm going to do it right  
13 now.

14 THE REPORTER: Okay. Thank you.

15 Q. BY MR. EPSTEIN: I have a copy of the  
16 document right here. The total value -- purchase,  
17 the \$20 and you and your brother both sold your  
18 shares; is that correct?

19 A. Right.

20 Q. How long had you -- how long had Core  
21 Logistics been in business?

22 A. I got ownership in 2013.

23 Q. And had Mr. Boultinghouse always been a  
24 20 percent owner?

25 A. No, he became owner at the same time I did.

1 Q. And what led to the breakup? Why did you  
2 want to buy him out in the first place?

3 A. We didn't get along anymore, reached an  
4 impasse, professional impasse and...

5 Q. Now, when I -- we received some -- some  
6 documents from Bank of America, some checks on the  
7 account. And I see a number of times where you wrote  
8 checks to yourself. I'm going to show you here, I'll  
9 show you one from March 2016. You tell me if the  
10 signature on the check is yours.

11 A. Yes.

12 Q. And it says it's from Steven Wibracht. I  
13 mean, you signed the check and it's for you for  
14 \$42,000. What was the reason you wrote the check to  
15 yourself?

16 A. To pay an American Express bill.

17 Q. So when it says, "repay loan," that means  
18 pay an American Express bill?

19 A. I mean, it could have been a loan. I don't  
20 know that specific one, but I mean, I -- personally I  
21 put over a hundred thousand dollars.

22 THE COURT: Is that a Core check or his  
23 personal checking account?

24 MR. EPSTEIN: It's a check from Core  
25 Logistic Services signed by the debtor here, made out

1 to Steven Wibracht.

2 MS. KELLIAN: There's a Bates number on the  
3 bottom.

4 THE WITNESS: When I left, Core still owed  
5 me like 70-something thousand.

6 Q. BY MR. EPSTEIN: So you said you lent the  
7 debtor about a hundred thousand dollars or more than  
8 a hundred thousand dollars?

9 MR. SEIDLER: Core, not the debtor.

10 MR. EPSTEIN: Core, I'm sorry. Yeah, thank  
11 you. Thank you for correcting me.

12 Q. BY MR. EPSTEIN: So when did you lend Core  
13 a hundred thousand dollars?

14 A. The first year was probably a hundred grand  
15 and then it was several other times. And then I was  
16 using my personal American Express to fund the  
17 managed cash flow of the business.

18 Q. What would you put on the American Express?

19 A. Equipment rental, fuel, pretty much  
20 anything that would take American Express, I used  
21 American Express.

22 Q. One of the documents we have not yet  
23 received is the American Express statements. When we  
24 look at those, will those -- your American Express  
25 statements, will they show -- will they be all

1 Core-Logistics-related or will there be a mixture of  
2 personal?

3 A. Mixture.

4 Q. And were these loans that you made to the  
5 company, were they documented?

6 A. Yes.

7 Q. How did -- how did you document them?

8 A. Our bookkeeper would put it in that they  
9 paid X bill with Steven's personal American Express.  
10 He ran a GL account. When I left my GL account said  
11 I was owed 77,000 bucks or so.

12 MR. SEIDLER: Those are Core's records.

13 THE WITNESS: Core's records.

14 Q. BY MR. EPSTEIN: So the -- was the amount  
15 that Core owed you, was that always for amounts you  
16 advanced on your American Express or did you actually  
17 put money into the Core bank accounts?

18 A. No, I wrote personal checks. In 2013 I  
19 emptied my 401-K and wrote a check to Core.

20 Q. Now, on this check here, the one we're  
21 talking about for \$42,000, who decided how much you  
22 would get paid from Core Logistics?

23 A. I didn't get paid anything. It's repaying  
24 a loan.

25 Q. And who -- I mean, was that the amount of

1 that month's bill -- Amex bill or what did that  
2 represent?

3 A. It could have been that I needed \$10,000  
4 back on 130,000 that was owed to me.

5 Q. So who decided how much -- I mean, any -- I  
6 mean, I'll point out, I'm looking at one from April  
7 that's for \$25,000 and one from May that's for  
8 \$18,000. Who decided how much each check would be  
9 for?

10 A. I did.

11 Q. Then did you sign all the checks for the  
12 business at the time?

13 A. Yeah, everybody had, but I signed most of  
14 them.

15 Our equipment rental is 35,000 a month, and  
16 I used my American Express.

17 Q. And so when I'm looking at a \$56,000 check  
18 you wrote from the Core Logistics account to yourself  
19 in June of 2016 and it says, "repay loan," on the  
20 bottom, what was that for?

21 A. Same thing.

22 MR. SEIDLER: Would the Core records have  
23 more detail on this?

24 THE WITNESS: Every check that was written  
25 is on ledger.

1 MR. SEIDLER: On the Core ledger?

2 THE WITNESS: Sure.

3 MR. SEIDLER: And you don't have those?

4 THE WITNESS: No.

5 MR. SEIDLER: Okay. Who does?

6 THE WITNESS: Core.

7 Q. BY MR. EPSTEIN: And, Mr. Boultinghouse is  
8 in charge of Core now?

9 A. Correct.

10 Q. And the "repay loan" that's in the memo  
11 line, did you type that in there or did somebody else  
12 do that for you?

13 A. No, we have a lady that does that for us.

14 MR. SEIDLER: Do you know her name?

15 THE WITNESS: Roxanne Hensley.

16 MR. SEIDLER: Spell the last name.

17 THE WITNESS: H-e-n-s-l-e-y.

18 MR. SEIDLER: H-e-n-s-l-e-y. Roxanne?

19 THE WITNESS: Yes.

20 MR. SEIDLER: Roxanne Hensley. And she was  
21 the Core bookkeeper?

22 THE WITNESS: Uh-huh. She did all of our  
23 accounts receivable, accounts payable.

24 Q. BY MR. EPSTEIN: And did you instruct her  
25 how much to put on the check?

1 A. Yes.

2 Q. And did you instruct her to put "repay  
3 loan" on the bottom or did she do that on her own?

4 A. She did that on her own.

5 Q. From the Bank of America account, we see a  
6 check from Jerry Hewtty and Georgina Hewtty for  
7 \$11,900 to you in June of 2017. Do you know what  
8 that's for?

9 A. Purchase of firearms, two firearms.

10 Q. On July 11th, 2017, Michael Wibracht --  
11 who's your brother; correct?

12 Go ahead and say "yes," please.

13 A. Yes.

14 Q. We have a check from him for \$5,000 to you.  
15 It says "loan" in the memo line. Do you know what  
16 that was for?

17 A. A loan.

18 Q. Did you lend him money?

19 A. He loaned me money.

20 Q. He was lending you. Why was he lending you  
21 money?

22 A. Because I didn't have any. That was  
23 about -- what date was it?

24 Q. It said July 11th, 2017.

25 I think we had -- there was a short



1 discussion last month, but I wanted to make sure I  
2 understand. You used to own a -- did you own a 1966  
3 Chevy pickup?

4 A. Correct.

5 Q. Okay. When did you purchase that vehicle?

6 A. I believe it was sometime in 2015. I don't  
7 own it any longer.

8 Q. Uh-huh. How much did you pay for it when  
9 you bought it?

10 A. I want to say 17,000.

11 Q. Did you pay cash or was there a loan  
12 against the car?

13 A. I paid for it with my American Express.

14 Q. And why did you buy the vehicle?

15 A. Pleasure.

16 Q. And you still own the vehicle?

17 A. No.

18 Q. Did you sell the vehicle?

19 A. I traded the vehicle.

20 Q. Who did you trade the vehicle to?

21 A. Traded it to a contractor that we were  
22 doing work with, that we were a sub to him.

23 MR. SEIDLER: Do you know the contractor's  
24 name?

25 THE WITNESS: Brown Excavation.

1 Q. BY MR. EPSTEIN: And you say "we." Who is  
2 "we"? "We were doing work with."

3 A. Core was doing work as a sub to Brown.

4 Q. And so you sold it to --

5 A. I traded to him for \$25,000 to put back  
6 into the company.

7 Q. So did this erase a \$25,000 debt owed to  
8 Brown; is that what you're saying?

9 A. No. At the time, it was a \$25,000 gain for  
10 the company. He paid us 25 -- he paid Core \$25,000  
11 additional for me giving him title to the truck.

12 Q. So he --

13 MR. SEIDLER: Brown did?

14 THE WITNESS: Yes.

15 Q. BY MR. EPSTEIN: All right. Let make sure  
16 I've got this straight. He paid \$25,000 to Core and  
17 you gave him title to the...

18 A. To the truck.

19 Q. Truck. And why did you do that?

20 A. Because I needed the money. The company  
21 needed the money.

22 Q. Now, I know on your schedules there's a  
23 debt listed to Travelers in the amount of  
24 \$17 million. What is that about?

25 A. An indemnity agreement that I signed in

1 April of 2013.

2 Q. And why do you owe money to Travelers?

3 MR. SEIDLER: Do you think you do? He's  
4 asking you that.

5 THE WITNESS: I don't believe that it's  
6 anywhere close to 17 million because I was terminated  
7 from my employment at that company in July of the  
8 same year.

9 Q. BY MR. EPSTEIN: Which company is this?

10 A. Mapco FMS, WPS Group.

11 Q. So you worked there for two months?

12 A. I was on the indemnity agreement for like a  
13 hundred days.

14 Q. So you worked for a company called Mapco  
15 and you signed an indemnity agreement while you were  
16 there?

17 A. Correct. Yes.

18 Q. And what went wrong to put 17 million or  
19 whatever amount it is --

20 A. I left in 2013. I was -- I was fired.  
21 Actually found out I was fired because my company  
22 credit card didn't work at the gas station and went  
23 back to the office and was told to get my expletive  
24 out of here and get your stuff out of your office and  
25 you're gone.

1 And then we negotiated a severance  
2 agreement -- I guess back up a little bit.

3 Late 2012 I became a minority partner in  
4 that company. Didn't work out. There was one,  
5 two -- three of us that left, four total left, three  
6 of us had small equity pieces. And in July of the  
7 following year -- 20- -- late 2012 became a partner.  
8 July 2013 I was asked to leave.

9 MR. SEIDLER: I thought it was June.

10 THE WITNESS: July.

11 MR. SEIDLER: June, July.

12 THE WITNESS: I think it was July the 26th.

13 Q. BY MR. EPSTEIN: Did they buy out your  
14 interest?

15 A. It was small. That money was --

16 MR. SEIDLER: Is that a "yes"?

17 THE WITNESS: Yes.

18 MR. SEIDLER: Okay.

19 Q. BY MR. EPSTEIN: And for how much did they  
20 buy out your interest?

21 A. It was Core, and I want to say about  
22 25 grand.

23 Q. And was that -- was Mapco in the same  
24 business that Core was in?

25 A. No.

1 Q. What did Mapco do?

2 A. They're a general contractor.

3 Q. And Core -- and Core was doing what? I'm  
4 sorry, I didn't hear.

5 A. Commercial site work.

6 MR. SEIDLER: Mr. Epstein asked you a  
7 question about how this debt arose to Travelers, and  
8 I don't think he got a full answer for that. You  
9 told him you were fired but you didn't explain  
10 what -- how the indemnity -- you said the indemnity  
11 was only for two or three months. When did the  
12 alleged liability arise? I think that's what he  
13 wanted to know.

14 THE WITNESS: After -- sometime after --  
15 the bone of contention between Travelers and -- part  
16 of the reason for this bankruptcy is Travelers is  
17 holding me accountable for an indemnity agreement  
18 from, I believe, 2008 or 2009 all the way to today.

19 MR. SEIDLER: When did the alleged  
20 liability arise? I think that's what he wanted to  
21 know.

22 THE WITNESS: Sometime after 2013. Then we  
23 started experiencing bonding and actually funding. I  
24 mean, from the -- from the documentation I've seen  
25 they started paying out.

1 was that other -- that document? That document. I  
2 sold it around in June of '17. So I bought it in  
3 '16.

4 Q. Bought in September of 2016. June of 2017.  
5 When did you leave Core Logistics?

6 A. March.

7 Q. Of which year?

8 A. '17.

9 Q. March of '17. And when you purchased the  
10 Ferrari did you get a loan to purchase the Ferrari?

11 A. Yes.

12 Q. Got a check here from Brown Excavation  
13 dated February 22nd, 2016, made out to you for  
14 \$45,000. Do you know why Brown Excavation wrote you  
15 a check, you personally a check for \$45,000 in  
16 February of 2016?

17 A. Yes.

18 Q. Can you tell me why?

19 A. I sold a job for them.

20 Q. You did what?

21 A. Sold a job for them.

22 Q. And what does that mean? What is selling a  
23 job? I'm not familiar with that term.

24 A. A utility job.

25 Q. And they paid -- so this was like a

341 First Meeting of Creditors

In Re: Steven Brice Wibracht and Erin Michelle Wibracht

1 referral fee or what is it?

2 A. Commission.

3 Q. Commission.

4 And you were working for Core at this time?

5 A. Correct.

6 Q. Did you get -- did you ever -- did Brown  
7 ever pay you any other commissions?

8 A. No.

9 Q. The -- all right. I've talked with your  
10 counsel before -- before this meeting. We're still  
11 waiting to get some other documents from American  
12 Express and I think maybe Bank of America. We just  
13 got some information from Texas Capital today.

14 Actually, let me ask you a couple of quick  
15 questions before I finish up. In your -- from your  
16 Security Service account, on June 7th, 2017, you  
17 withdrew \$2500 in cash. Do you have any idea -- do  
18 you know why you withdrew the cash that day?

19 MR. SEIDLER: When was it? June?

20 MR. EPSTEIN: June 7, 2017.

21 MR. SEIDLER: 2500 from Security Service?

22 Q. BY MR. EPSTEIN: Do you know why you  
23 withdrew the cash that day?

24 You have to answer audibly.

25 A. I have no idea.

1 MR. SEIDLER: Of how much?

2 THE WITNESS: 11,400 deposited.

3 Q. BY MR. EPSTEIN: So do you know why you  
4 withdrew \$3,500 in cash on August 11th from Security  
5 Service Federal Credit Union?

6 A. To pay my American Express bill on August  
7 the 13th.

8 Q. I'll ask the question: So what did you do  
9 with the \$3500 that you got out of Security Service?

10 A. Put it in the bank.

11 Q. Did you -- like could you transfer between  
12 accounts or did you actually have to take cash out  
13 and then put the cash in the Bank of America?

14 A. I have no idea. That's my wife's account.

15 Q. Which one's your wife's account?

16 A. Security Service.

17 Q. So who -- so to get 3,500 out of that  
18 account --

19 A. I'm on it. I mean, I can go take money  
20 out. But I go to Security Service or go to Bank of  
21 America and deposit it.

22 Q. So is -- in this instance, would you  
23 have -- I mean, \$3500 is a decent amount of cash to  
24 have on you. You mean instead of wiring between the  
25 two or having some kind of transfer --



1 McShane?

2 MR. SEIDLER: She wants to know exact  
3 dates.

4 THE WITNESS: I don't know exact dates.

5 Q. BY MS. KNEELAND: What was the most recent  
6 time that Core did work for Cadence McShane?

7 A. They were doing work with Cadence McShane  
8 when I left.

9 MR. SEIDLER: Which was when? What year?

10 THE WITNESS: The date of the separation  
11 agreement.

12 MR. SEIDLER: Which was?

13 THE WITNESS: March something.

14 MR. SEIDLER: Of '17, '16 -- March 17th;  
15 correct?

16 THE WITNESS: Correct.

17 Q. BY MS. KNEELAND: Okay. Did Brown  
18 Excavation get the work on the utility job from  
19 Cadence McShane on the same project or on a same  
20 project that Core was also working on?

21 A. Yes.

22 Q. And what project was that?

23 A. The project downtown here. I don't even  
24 remember what the name of it was. It was build -- a  
25 building down here. It didn't end up getting

1 finished. Construction halted like halfway through  
2 the job.

3 Q. Okay. So there's a building downtown that  
4 you don't know the name of where construction halted  
5 halfway. What type of construction was it?

6 A. Site utility work.

7 Q. Site utility work.

8 And what was being built?

9 A. There was supposed to be a five-story  
10 condo.

11 Q. Five-story condo.

12 And who was the condo -- who was the owner  
13 or the developer of the five-story condo?

14 A. 210 Development. And then there was two  
15 other players involved. It was right across the  
16 street from -- right on the other side of 35 by the  
17 McDonald's.

18 Q. Okay. And who are the other players  
19 involved?

20 A. I don't know.

21 Q. 210 Development is an entity that is owned  
22 and controlled by your brother Michael Wibracht,  
23 isn't it?

24 A. Correct.

25 Q. Do you know why the five-story condo wasn't

1 Logistics worked indirectly or directly with  
2 210 Developers or any entity that your brother might  
3 have owned or controlled?

4 MR. SEIDLER: We're talking about what  
5 period of time? Because Core was in business for  
6 years. So are you going back 10 years?

7 MS. KNEELAND: Well, he testified that he  
8 became in ownership in Core in 2013; right?

9 MR. SEIDLER: But you didn't limit your  
10 questions as to that. If you want him to answer, you  
11 need to fix a time period.

12 MS. KNEELAND: Sure. I'm happy to do that.

13 MR. SEIDLER: Okay.

14 Q. BY MS. KNEELAND: So it's correct that  
15 Core -- you came into ownership of Core in 2013;  
16 right?

17 A. Yes.

18 Q. Okay. So my question pertains to the  
19 period in time from 2013 to the present.

20 A. What was your question?

21 Q. Were there any projects in addition to the  
22 I-35 project that Core did work directly or  
23 indirectly for any company that your brother owns,  
24 controls or was involved in?

25 A. Yes.

1 Q. Okay. Which projects are those?

2 MR. SEIDLER: Going to instruct the witness  
3 not to answer. We're way outside the scope of what  
4 this debtor's debts and assets and transfers are.  
5 You're going between a corporation in which he no  
6 longer has any interest and his brother, and that's  
7 outside the scope of a 341 exam. You want to take  
8 Core's deposition or Michael Wibracht's, that's fine.  
9 But I would object and instruct the witness not to  
10 answers because that's way beyond the scope of the  
11 341 exam on this man's assets and liabilities.

12 THE COURT: Can you focus your question?  
13 Are you asking about transfers or specific items that  
14 you would focus and link up to the schedules or  
15 statements?

16 MS. KNEELAND: Well, I think the question  
17 as posed is valid and is appropriate for a 341  
18 meeting. Because, as Mr. Epstein has signaled, there  
19 were transfers back and forth between Steven and his  
20 brother Michael and I'm trying to understand the  
21 extent to which those transfers occurred. And from  
22 2013 to now is getting within a fraudulent conveyance  
23 transfer prefer period, which would be an asset of  
24 the estate.

25 MR. SEIDLER: Your question doesn't address

1 specific transfers. Wants to know about overall  
2 relationships. And whether you're talking about a  
3 business relationship or an ex-girlfriend or ex-wife,  
4 it doesn't make any difference. It's outside the  
5 scope of the relevant inquiry.

6 THE COURT: Is this a general question?  
7 Are you focusing on a particular time period?

8 MS. KNEELAND: Well, I can't ask about  
9 specific transfers because I have to have the  
10 groundwork, of course, and the question to establish  
11 the groundwork is, what projects did Core work on  
12 from 2013 to the present that were for or on behalf  
13 of or related to entities that his brother Michael  
14 Wibracht owned.

15 MR. SEIDLER: You're still fishing. I  
16 instruct the witness not to answer. You want to talk  
17 about specific transfers, he will be glad to answer.  
18 But you're out of the ballpark here.

19 MS. KNEELAND: I can't discuss a specific  
20 transfer because your client is the one that holds  
21 all the information and he's not providing it to me.

22 MR. SEIDLER: Ask him a specific question,  
23 specific transfer, he'll give it to you. But just to  
24 go on a witch hunt, you know...

25 MS. KNEELAND: I understand that's quite

1 circular, but we can bring it up with the Judge, if  
2 that's what you're saying and you're instructing your  
3 client not to answer. If that is what is happening,  
4 please say so on the record and we will take it up at  
5 a later time.

6 MR. SEIDLER: I think that's been  
7 generate -- you want to know a specific transfer,  
8 we'll be glad to have him address it. But to ask  
9 about the transactions between two parties which are  
10 not before this Court is beyond the scope.

11 THE COURT: I think that's been clarified.  
12 And if you can draw it into the specifics  
13 of the schedules and statements and information  
14 provided or if you have any other specific questions  
15 related to that.

16 MS. KNEELAND: That's fine.

17 MR. SEIDLER: We'll be glad to answer  
18 those.

19 MS. KNEELAND: Very well.

20 Before I move on, I just want to confirm  
21 for the record.

22 Q. BY MS. KNEELAND: So is it the case that  
23 you are accepting your attorney's instruction not to  
24 answer the question that has been posed to you at  
25 this time?

1 A. Yes.

2 Q. Okay. Very well. Okay.

3 In response to Mr. Epstein's question  
4 earlier in the afternoon, you said that you lent Core  
5 a hundred thousand dollars in the first year. And I  
6 wanted to understand what the first year meant to  
7 you.

8 A. The first 365 days.

9 Q. Of which calendar year, please?

10 A. 2013, 2014.

11 Q. So from January 1, 2013, to December 31st  
12 of 2013 your contention is that you lent Core a  
13 hundred thousand dollars?

14 A. No.

15 Q. Okay. Could you please explain what your  
16 contention is.

17 A. The first 365 days that I owned Core.

18 Q. Okay. Could you spell that out.

19 MR. SEIDLER: I think he just did.

20 THE WITNESS: The first 365 days that I  
21 owned interest in Core.

22 Q. BY MS. KNEELAND: So when did you acquire  
23 your interest in Core?

24 A. I don't have the exact date.

25 Q. Okay. You said that you emptied your 401-K

1 true and correct and complete?

2 A. No.

3 Q. And the same is for the Statement of  
4 Financial Affairs filed on the same day. Do you  
5 recall signing those under penalty of perjury?

6 A. Yes.

7 Q. Okay. Do you reside at 536 East Borgfeld  
8 Road?

9 A. Yes.

10 Q. Okay. How many square feet is your home?

11 A. 2600, 2700.

12 Q. How many bedrooms?

13 A. Four.

14 Q. And bathrooms?

15 A. Three.

16 Q. Who lives in the home?

17 A. Me, my wife and my kids and my nanny.

18 Q. And your nanny? Who's your nanny?

19 A. Wendy Hudson.

20 Q. Wendy Hudson.

21 Anybody else live in your home?

22 A. Not right now.

23 Q. Did anyone else live in your home on  
24 November the 10th?

25 A. No.



1 Q. Did anyone else aside from those listed  
2 here live in your home when you filed this bankruptcy  
3 petition?

4 A. I don't know if Wendy was there yet, but I  
5 think she was.

6 Q. Okay. And how much do you pay your nanny?

7 A. 500 bucks a week.

8 Q. And does she have a bedroom --

9 A. Yes.

10 Q. -- there?

11 Do you give her room and board?

12 A. Yeah.

13 Q. And then how -- what are the hours that she  
14 cares for your children?

15 A. Whatever I work.

16 Q. Okay. And what are those?

17 A. Sometimes 3:00 in the morning to when I get  
18 home. I mean, my work hours and my wife's work  
19 hours.

20 Q. For --

21 A. She's a teacher.

22 Q. For \$500 a week?

23 She's a teacher. So does she work in a  
24 school system.

25 A. My wife? Yes.

1 11 U.S.C. 2d. 541.

2 THE COURT: There's no need yet. There's  
3 some big liens apparently on this.

4 MR. SEIDLER: It's not his own property.

5 MS. KNEELAND: Very well.

6 Q. BY MS. KNEELAND: Your 50 percent undivided  
7 interest in five acres in Clear Springs. You say in  
8 your amended schedule that a hundred percent of the  
9 property is worth \$95,000 more or less.

10 Do you recall saying that in your amended  
11 schedules?

12 A. Correct.

13 Q. How did you go about valuing the property?

14 A. That's what the real estate agent that  
15 listed for sale for the last five years.

16 Q. And what's the real estate agent's name?

17 A. Shannan Albrecht.

18 Q. And she's had it listed for sale for  
19 several years, you say?

20 A. (Nods head in an up-and-down motion.)

21 Q. Do you have an active listing agreement  
22 with Ms. Albrecht?

23 A. I believe so.

24 Q. Okay. And who else owns the property aside  
25 from yourself?

1 property?

2 THE WITNESS: 2015 Jeep Wrangler.

3 MR. SEIDLER: VIN number what?

4 THE WITNESS: 1C4HJWEG9FL677404.

5 MR. SEIDLER: And that's the one counselor  
6 is asking you about?

7 THE WITNESS: Correct.

8 Q. BY MS. KNEELAND: Okay. So now we're  
9 saying that the property was titled in the name of  
10 Core and sold to 210 Development?

11 MR. SEIDLER: He's saying this is a bill of  
12 sale that he's reading from.

13 Q. BY MS. KNEELAND: Okay. And can you tell  
14 me who the seller is?

15 A. Core Constructors.

16 Q. And who's the buyer?

17 A. 210 Development.

18 Q. Okay. So then why in the schedules which  
19 you say under penalty of perjury that the property,  
20 that the car is still titled in your name?

21 A. It is titled in my name.

22 Q. I thought you said the seller was Core?

23 MR. SEIDLER: It is in the bill of sale.

24 THE WITNESS: It is in the bill of sale.

25 It's the same conversation we had last time. It

1 Q. At her house.

2 Do you ever drive that car?

3 A. No.

4 Q. Okay. And this is a vehicle that you're  
5 attempting to reaffirm the debt on?

6 A. Yes.

7 Q. Who pays the insurance on the vehicle?

8 A. My sister.

9 Q. And are you the only co-signor? Is your  
10 wife a co-signor as well?

11 A. No.

12 Q. On your amended schedules you list, under  
13 question 17, deposits of money, two accounts at Bank  
14 of America and two at Security Service FCU.

15 Are there any other bank accounts that you  
16 have?

17 A. No.

18 Q. Okay. Question 18, you identify a Bank of  
19 America trading account with \$980 in it.

20 Is that the balance in the account or is  
21 that the value of the stocks?

22 A. That's the total value. I don't know what  
23 the cash versus stock difference is. And I don't  
24 know what it is today. It changes every day.

25 Q. What stocks do you own in the Bank of

1 Q. Okay. Okay. Question 40 on your  
2 schedules, Schedule B, talking about machinery  
3 fixtures, equipment, supplies you use in business and  
4 tools of your trade. That's where you load -- you  
5 listed your Mahindra tractor, which you said is in  
6 the possession of Mr. Glen Boultinghouse. And when  
7 we were here at the beginning, if you remember, you  
8 described additional equipment, excavators and it  
9 seemed like heavy equipment.

10 Did you own those pieces of equipment in  
11 your own name?

12 A. No.

13 Q. No, they were in Core's name?

14 A. Okay.

15 MR. SEIDLER: Is that a "yes" or a "no"?

16 THE WITNESS: They were in Core's name.

17 Q. BY MS. KNEELAND: Okay. Is there any other  
18 business-related property that you have?

19 MR. SEIDLER: Any other in addition to  
20 what?

21 Q. BY MS. KNEELAND: Well, you said in your  
22 schedules, on question 44, any business-related  
23 property you did not already list. And your answer  
24 was no.

25 Do you stand behind that answer?

1 A. About 70 grand.

2 Q. \$70,000?

3 MR. SEIDLER: In addition to the indemnity  
4 provisions.

5 THE WITNESS: In addition to the indemnity  
6 provisions.

7 MR. SEIDLER: You're getting sued by these  
8 nice people for how much money?

9 THE WITNESS: 17 million.

10 MR. SEIDLER: So does he owe you 17 million  
11 if you have to pay it out?

12 THE WITNESS: Plus 70,000.

13 MR. SEIDLER: 17 million plus 17,000;  
14 correct?

15 THE WITNESS: 70,000.

16 MR. SEIDLER: 70,000. Excuse me.

17 THE WITNESS: 17 million plus 70,000.

18 MR. SEIDLER: If the 17 million settled?

19 THE WITNESS: Correct.

20 Q. BY MS. KNEELAND: So you made an agreement  
21 with Mr. Boultinghouse that he would indemnify you  
22 for any claims arising from Core at the time that you  
23 conveyed your interest to him; correct?

24 A. Correct.

25 Q. And that was in the spring of 2017?

1 Q. 17 different companies in their group.

2 So what --

3 A. What I know them for is demo and abatement.

4 But they do a lot of other stuff, but I don't know --

5 I mean, I know they cleaned up -- they probably

6 cleaned up the BP oil spill.

7 Q. Okay. Aside from your belief that

8 Mr. Boultinghouse was going to partner with Alamo 1,

9 did you do any other type of investigation to

10 determine that Mr. Boultinghouse would actually be

11 able to indemnify you for claims arising from Core?

12 A. No.

13 Q. You say --

14 MS. KNEELAND: I'm sorry, do you need to  
15 take a break?

16 MR. SEIDLER: No, I'm just looking up

17 Alamo 1 because I've never heard of it either.

18 MS. KNEELAND: Oh, okay. Okay. I saw him

19 looking at your phone. I want to make sure I wasn't

20 interrupting communications.

21 MR. SEIDLER: No.

22 Q. BY MS. KNEELAND: Various uncollectable  
23 claims against Core Logistics is another listing of  
24 claims that you've made on your schedules. You've  
25 put \$70,000 as a price on this.

1                   What types of uncollectable claims against  
2 Core are you referring to?

3           A.     Can I see that?

4           Q.     You want to see some of my handwriting  
5 here.

6           A.     That's okay. I won't read it. Where are  
7 we? Right here?

8           Q.     Correct.

9           A.     Various uncollectable -- that's just this  
10 year.

11          Q.     Is that \$70,000, is that what was on --

12          A.     That's encompassing that whole entire line.

13          Q.     Okay. So that also encompasses what  
14 Mr. Boultinghouse owes you?

15          A.     Mr. Boultinghouse doesn't personally owe me  
16 anything. His company does.

17                 MR. SEIDLER: That's the same, Alamo 1, the  
18 number one?

19                 THE WITNESS: That's it.

20                 MS. KNEELAND: Okay. Thank you.

21                 MR. SEIDLER: A remediation company.

22                 MS. KNEELAND: You can Google it,  
23 apparently.

24                 MR. SEIDLER: Yeah.

25                 MS. KNEELAND: So just to catch up on your



1 I don't know specifically on that.

2 Q. How many American Express accounts do you  
3 have?

4 A. Zero now.

5 Q. On the petition date how many American  
6 Express cards?

7 A. I didn't have any. My wife had one.

8 Q. You did not have any American Express  
9 cards?

10 A. I had a card but it was attached to her  
11 account.

12 Q. So the American Express was in Erin's name  
13 and you had a card?

14 A. Correct.

15 Q. So when you were answering Mr. Epstein's  
16 questions this morning you were saying you were  
17 paying American Express, how do you reconcile that  
18 with the fact that you just told me you didn't have  
19 an American Express account?

20 A. I mean, it's my wife's.

21 MR. SEIDLER: Could you sign on it?

22 THE WITNESS: I had a card with my name on  
23 it tied to my wife's account.

24 MR. SEIDLER: Okay.

25 Q. BY MS. KNEELAND: And that was the only

1 personal account with American Express?

2 A. She had two. She had her -- she had one by  
3 herself and then she had another one with me.

4 Q. Okay. How much is owed on each of the  
5 accounts?

6 A. I don't -- I don't have access to it  
7 anymore. I mean, I did it online, and it's all gone.

8 MR. SEIDLER: Here's one.

9 THE WITNESS: That's -- that's --

10 MR. SEIDLER: Okay.

11 THE WITNESS: -- 1900 bucks.

12 MR. SEIDLER: 19 what?

13 THE WITNESS: 1929.

14 MR. SEIDLER: Is that what's on the  
15 schedules?

16 THE WITNESS: I believe so.

17 MR. SEIDLER: Okay. And it came from  
18 where?

19 THE WITNESS: Experian.

20 MR. SEIDLER: Credit report?

21 THE WITNESS: Correct.

22 MR. SEIDLER: Okay.

23 Q. BY MS. KNEELAND: Did Core Logistics have  
24 an American Express account?

25 A. Yes.

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In Re: Steven Brice Wibracht and Erin Michelle Wibracht

1 Q. And who could use the Core Logistics  
2 American Express account?

3 A. Anyone.

4 Q. When you say "anyone," could you be more  
5 specific, please.

6 A. I mean, the girls in the office used it. I  
7 used it. Michael used it.

8 Q. Did you walk around with a card in your  
9 wallet?

10 A. Yes.

11 Q. In your amended Statement of Financial  
12 Affairs you list a lawsuit filed against you by  
13 American Express. The nature of the suit you listed  
14 as a guarantee. Whose American Express liability did  
15 you guarantee?

16 A. Core's.

17 Q. Core's.

18 And how much was the lawsuit that -- for  
19 that you list here?

20 A. Whatever it says there.

21 Q. Well, that's my trouble, it does not say  
22 what the amount of the lawsuit was for.

23 MR. SEIDLER: Were you ever served for that  
24 lawsuit?

25 THE WITNESS: I don't think so. It was

1 just a demand.

2 Q. BY MS. KNEELAND: You have a case number.  
3 It is 2017 CI 1814 -- excuse me -- 18145.

4 MR. SEIDLER: That's correct. We may have  
5 picked it up from the docket for that detail.

6 Q. BY MS. KNEELAND: So you don't know how  
7 much the lawsuit listed on your Statement of  
8 Financial Affairs sought? How much is claimed?

9 MR. SEIDLER: Let's see. Do you know how  
10 much American Express lawsuit is for?

11 THE WITNESS: I mean, I know a guess.

12 MR. SEIDLER: No, have you ever seen the  
13 lawsuit?

14 THE WITNESS: I've seen a demand letter.

15 MR. SEIDLER: No. The question is, she  
16 wants to know, have you ever seen the lawsuit?

17 THE WITNESS: No.

18 MR. SEIDLER: Then you don't --

19 THE WITNESS: To my knowledge, I don't know  
20 if there is a lawsuit.

21 Q. BY MS. KNEELAND: Well, you signed under  
22 penalty of perjury that there is a lawsuit that you  
23 are named on as a guarantor. Is your testimony that  
24 the American Express liability that you guaranteed  
25 was Core's?

1 MR. SEIDLER: Do you understand the  
2 question, guarantee liability?

3 THE WITNESS: Yes, I do have a guarantee  
4 liability from Core or -- from -- to American Express  
5 from Core.

6 Q. BY MS. KNEELAND: Have you guaranteed  
7 anyone else's liability to American Express?

8 A. Clarify the question.

9 Q. Yeah. Is there any other person or entity  
10 from whom you guaranteed a debt to American Express?

11 A. No.

12 Q. Question 12 of your Statement of Financial  
13 Affairs asks, "In the year before bankruptcy was any  
14 of your property in the possession of an assignee for  
15 the benefit of creditors, a court-appointed receiver  
16 and custodian or any other official?"

17 You remember that question? And you wrote  
18 no. Isn't it true that at the end of July all of  
19 your assets were under an asset injunction order  
20 entered by Judge Ezra in the Western District of  
21 Texas?

22 MR. SEIDLER: Your assets she's asking.

23 Q. BY MS. KNEELAND: Any indemnity action  
24 where Travelers is the plaintiff -- actually, we're  
25 the defendant in that matter.

1 THE WITNESS: No.

2 MR. SEIDLER: -- either way; right?

3 Here's what I picked up on the docket.

4 American Express on September 30th. I have a  
5 pleading.

6 MS. KNEELAND: Yeah.

7 Q. BY MS. KNEELAND: We've talked about the  
8 Polaris that was in your name that transferred to  
9 Brown Excavation.

10 A. Uh-huh.

11 Q. In your many amended schedules you  
12 attempted to be more specific about that. You said  
13 that the Polaris was purchased with Core American  
14 Express card. Do you stand behind that answer?

15 A. Yes.

16 Q. Okay. And is there any type of paperwork  
17 that you completed with Brown Excavation in order to  
18 convey title or evidence of ownership between the  
19 Polaris to Brown?

20 A. He's got the title.

21 MR. SEIDLER: So the answer is yes?

22 Q. BY MS. KNEELAND: You just handed him a  
23 copy of the --

24 A. Yes.

25 Q. Or just handed him the title?

1 MR. SEIDLER: You just handed it to him or  
2 did you do something else?

3 THE WITNESS: Just handed it to him.

4 MR. SEIDLER: How did the vehicle -- or  
5 Polaris get transferred?

6 THE WITNESS: I signed it.

7 MR. SEIDLER: Okay. So you did something  
8 else.

9 THE WITNESS: Yes, I did something else.

10 MR. SEIDLER: Okay.

11 Q. BY MS. KNEELAND: You signed over the title  
12 to him?

13 A. Correct.

14 Q. Was there any bill of sale or anything like  
15 that?

16 A. Handwritten? You mean written?

17 Q. Right.

18 A. I mean, we may have done something. I  
19 don't remember.

20 Q. So for the 1966 Chevy pickup that you  
21 conveyed to Brown Excavation, what paperwork did you  
22 complete in order to effectuate that arrangement?

23 A. Core got paid \$25,000. That was it.

24 MR. SEIDLER: No. What paperwork?

25 THE WITNESS: None.

1 Q. BY MS. KNEELAND: So about that. So you  
2 say that Core got paid \$25,000 from Brown for the  
3 pickup?

4 A. Correct.

5 Q. Did Brown write a check, write Core a check  
6 for \$25,000?

7 A. No -- yeah, I mean, ultimately, yes.

8 Q. What do you mean, "ultimately, yes"?

9 A. They gave me \$25,000 additional monies on a  
10 property contract I had with them.

11 Q. Okay. And what contract was that that you  
12 had with them.

13 A. I don't remember which one it was. I mean,  
14 he wanted the truck. He came by my shop. He had to  
15 have it. And that was -- you know, he said, "I want  
16 it." And it was his favorite color, yada, yada.

17 Q. What was -- the contract you had with  
18 Brown, what was it to do with services being  
19 performed?

20 A. Needed utilities on the job. I did the  
21 site work.

22 Q. Was this the same job on I-37 that --

23 A. Yes.

24 Q. -- 210 Development was involved in?

25 A. Yes, I believe so.



1 is -- me and Core were no different.

2 Q. Okay. And so then when I asked you some  
3 more about it you explained that the project that you  
4 got a bump up on had to do with the lot that was over  
5 on I-37 that was owned by 210 Developers; right?

6 A. No, it's not owned by 210 Developers.

7 Q. Okay. It was the I-37 lot?

8 A. 35.

9 Q. I-35 lot?

10 A. Correct.

11 Q. Okay. So earlier you said that the owner  
12 was 210. Is that wrong?

13 A. The owner of the project was 210. The  
14 owner of the property was somebody out of New York.

15 Q. Oh, okay. So the owner of the project was  
16 210. And that's where you got the bump up and  
17 \$25,000 in exchange for the 66 Chevy pickup; right?

18 A. No.

19 Q. Okay. Help me understand.

20 A. 210 had nothing to do with me selling the  
21 truck or trading the truck to Brown Excavation.

22 Q. I didn't say that. I was just trying to  
23 connect that you got a bump up in the value of your  
24 project from Brown in exchange for the pickup; right?  
25 You didn't just say --

1           A.    I got an increase of \$25,000 on a contract  
2   for a 25,000 asset that he wanted.

3           Q.    Okay. So Mr. Brown did not write you a  
4   check for \$25,000 in exchange for the pickup; right?

5           A.    No, he increased the value of Core's  
6   contract by \$25,000.

7           Q.    And that contract that we're talking about  
8   was the one on I-35?

9           A.    Correct.

10          Q.    Okay. Moving on to the Jeep. This was a  
11   Jeep Rubicon that you purchased from Mr. Brown?

12          A.    Correct.

13          Q.    Okay. And how much did you pay for the  
14   Jeep Rubicon?

15          A.    32, I think.

16          Q.    \$32,000?

17          A.    Uh-huh.

18          Q.    And who paid the \$32,000?

19          A.    I did.

20          Q.    You personally?

21          A.    Yes.

22          Q.    And you paid that to whom?

23          A.    Robert Brown.

24          Q.    Robert Brown.

25                   And then what happened next? Did he give

1 A. Like nine of them.

2 Q. You --

3 A. We had a project that needed diesel  
4 generators to provide power. We split the cost of  
5 it. I could not pay. I couldn't pay my part of it  
6 on the last piece of it. And I give him the Jeep  
7 back to make right on the contract that we had  
8 together.

9 Q. What was the project for which you needed  
10 the generators?

11 A. It was a project where the general  
12 contractor could not get permanent power provided  
13 fast enough to condition the spaces so they asked us  
14 to provide -- can we provide them diesel generators.

15 Q. Who was the general contractor?

16 A. Cadence McShane.

17 Q. What was -- where was the project located?

18 A. Houston.

19 Q. In Houston.

20 What kind of project was it?

21 A. An apartment project.

22 Q. An apartment project?

23 Who was the developer?

24 A. 210 Development Group.

25 Q. When were you working on this project?

1 transcript was and then we can fill in the blanks.

2 Question: "Can you give me a ballpark  
3 gross income for 2016 for Core Constructors or Core  
4 Logistics?"

5 Answer: "Gross," question mark. "I have  
6 no idea. I mean, I could probably give you a  
7 ballpark on net."

8 A. I don't know. I can tell you speculation.

9 MR. SEIDLER: Don't speculate.

10 Q. BY MS. KNEELAND: So earlier, before I read  
11 this back, you said you thought gross was \$7 million  
12 in 2016?

13 A. Total revenue.

14 Q. Okay. And ballpark on net?

15 A. Probably negative a million dollars.

16 Q. You think that Core lost a million dollars  
17 in 2016?

18 A. Yes.

19 Q. If Core lost a million dollars in 2016, can  
20 you explain to me what the reason what might have  
21 caused that loss?

22 MR. SEIDLER: We're -- instruct the witness  
23 not to answer. We're way, way out of -- I want to  
24 accommodate you, but we're way, way, way outside the  
25 scope of --

1 parcel of property; right?

2 A. Owned? Is that what you said?

3 Q. Correct?

4 A. Yes.

5 Q. And how many acres was this parcel?

6 A. I don't know. We talked about it last  
7 time. Like 109, 10, 11, 12, 13, something like that.

8 Q. Over a hundred acres?

9 And you testified earlier that that  
10 property sold in the spring of this year; correct?

11 A. Correct.

12 Q. And what happened to the money, the sale  
13 price?

14 A. The loan was satisfied and the remainder  
15 went to Texas Capital Bank to pay off a line of  
16 credit -- pay down a line of credit.

17 Q. Okay. So what was the purchase price?

18 A. I don't know. I was out at that time and  
19 it didn't matter to me.

20 Q. Okay. When you say the loan was satisfied,  
21 what are you talking about?

22 A. There was a note on it.

23 MR. SEIDLER: A first lien?

24 THE WITNESS: First lien.

25 Q. BY MS. KNEELAND: Okay. And then you said

1 the remainder of the property went to Texas Capital  
2 Bank?

3 MR. SEIDLER: Texas Star, I think.

4 THE WITNESS: Texas Capital.

5 MR. SEIDLER: Oh, Texas Capital. Sorry.

6 Q. BY MS. KNEELAND: What indebtedness was  
7 paid down at Texas Capital Bank?

8 A. \$35,000.

9 Q. And whose indebtedness at Texas Capital  
10 Bank was paid?

11 A. Core's.

12 Q. Core's.

13 And what was the purpose of the Texas  
14 Capital Bank loan?

15 A. Line of credit.

16 Q. A line of credit.

17 Was a line of credit maxed out or was there  
18 room left on the line of credit?

19 A. It was maxed out.

20 Q. At \$35,000?

21 A. 300,000.

22 Q. At \$300,000?

23 So \$35,000 from the sale of the property  
24 that Wishing Star Ranch owned went to pay Texas  
25 Capital Bank?

1 Capital.

2 THE COURT: Texas Capital would have been  
3 one?

4 THE WITNESS: I believe I had two. At one  
5 point in time, I had to provide one to Travelers, and  
6 then I had to provide them -- I believe I had to  
7 provide them 24 months' worth of bank statements and  
8 copies of any checks that I had written or deposits  
9 over \$5,000.

10 THE COURT: Okay. So that information  
11 would be in their --

12 THE WITNESS: They have --

13 THE COURT: -- possession. Okay.

14 If I need anything else, I'll contact you  
15 through Mr. Seidler's office. And I appreciate it,  
16 for the record, you did provide me a key and the --  
17 for the Nueces County condo and also the password for  
18 the garage entrance; right? Thank you very much.

19 Mr. Epstein?

20 MR. EPSTEIN: Yeah, just two quick  
21 questions.

22  
23 FURTHER EXAMINATION

24 BY MR. EPSTEIN:

25 Q. You mentioned earlier that Core Logistics

1 had an American Express card; is that right?

2 A. Yes.

3 Q. Why did -- and why did you use your wife's  
4 American Express card on -- for Core Logistics'  
5 expenses if Core Logistics had its own American  
6 Express card?

7 A. Because it was Core, we always had hit the  
8 limit.

9 Q. What was the limit?

10 A. 80,000.

11 Q. \$80,000?

12 A. (Nods head in an up-and-down motion.)  
13 Yes.

14 MR. EPSTEIN: We've received some documents  
15 from the bank, from the institutions, is it okay if  
16 we share those documents with the trustee?

17 MR. SEIDLER: With the trustee, yes.

18 MR. EPSTEIN: No further questions.

19 MR. SEIDLER: No one else, though?

20 THE COURT: All right. We've come a long  
21 way here, and I appreciate everyone's patience. I  
22 think with that, we're going to conclude the meeting.  
23 And I understand that you're still in conversation  
24 with the United States Trustee's Office about  
25 following up and --



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E X H I B I T S

(None marked.)

1       IN THE STATE OF TEXAS       )

2                                       )  
3       COUNTY OF BEXAR           )

4  
5           I, PAMELA SUE PETERSON, Certified Shorthand  
6       Reporter in and for the State of Texas, do hereby  
7       certify:

8           That said transcript of proceedings was taken  
9       before me at the time and place therein set forth and  
10      was taken down by me in shorthand and thereafter was  
11      transcribed into typewriting under my direction and  
12      supervision, and I hereby certify the foregoing  
13      transcript is a full, true, and correct transcript of  
14      my shorthand notes so taken.

15           I further certify that I am neither counsel for  
16      nor related to any party to said action, nor in any  
17      way interested in the outcome thereof.

18           IN WITNESS WHEREOF, I have hereunto subscribed  
19      my name this 13th day of December, 2017.

20  
21  
22  
23                                       PAMELA SUE PETERSON, CSR  
24                                       Texas CSR 8924 - Expires 12-31-18  
25                                       Firm Registration No. 93  
                                     Hoffman Reporting  
                                     206 East Locust Street  
                                     San Antonio, Texas 78212

# **EXHIBIT 3**

**Selected Excerpts from Transcript of  
2004 Examination of Steven Brice Wibracht  
February 22, 2018**

STEVEN BRICE WIBRACHT GARCIA  
IN RE: WIBRACHT

February 22, 2018

1

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION

IN RE:

STEVEN BRICE WIBRACHT and  
ERIN MICHELLE WIBRACHT

CASE NO. 17-5230-RBK

RULE 2004 EXAMINATION

STEVEN BRICE WIBRACHT GARCIA

FEBRUARY 22, 2018

9:30 a.m.

United States Bankruptcy Office

615 E. Houston St., Suite 533

San Antonio, Texas

Lynne M. Homan, CSR No. 8640

STEVEN BRICE WIBRACHT GARCIA  
IN RE: WIBRACHT

February 22, 2018

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APPEARANCES

ON BEHALF OF STEVEN BRICE WIBRACHT:

Martin Seidler, Esq.  
marty@seidlerlaw.com  
11107 Wurzbach Rd., Suite 504  
San Antonio, TX 78230  
(210) 694-0300

ON BEHALF OF UNITED STATES BANKRUPTCY TRUSTEE:

UNITED STATES DEPARTMENT OF JUSTICE  
Kevin M. Epstein, Esq.  
kevin.m.epstein@usdoj.gov  
615 E. Houston, Room 553  
San Antonio, TX 78295  
(210) 472-4640

ON BEHALF OF TRAVELERS CASUALTY & SURETY:

WATT TIEDER, HOFFAR & FITZGERALD, LLP  
Jennifer Larkin Kneeland, Esq.  
jkneeland@watttieder.com  
1765 Greensboro Station Place, Suite 1000  
McLean, VA 22102  
(703) 749-1026

ALSO PRESENT:

Ann Jillian, Paralegal Specialist

STEVEN BRICE WIBRACHT GARCIA  
IN RE: WIBRACHT

February 22, 2018  
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1 Q. So until about 2012?

2 A. '13.

3 Q. And why did you leave Federal Management  
4 Solutions?

5 A. I was bought out.

6 Q. Does that mean at some point, you acquired an  
7 ownership interest in Federal Management Solutions?

8 A. Yes.

9 Q. How did that work? Was this some kind of  
10 employee stock option plan or you had put some money in  
11 at some point to the company?

12 A. Sweat equity type deal. I don't remember the  
13 exact parameters of it.

14 Q. So when you were bought out, what did you  
15 receive from Federal Management Solutions?

16 A. On my exit?

17 Q. Yes.

18 A. Cash and Core Logistics.

19 Q. How much cash?

20 A. Less than \$40,000. I don't remember the exact  
21 amount.

22 Q. And you said you received Core Logistics. Was  
23 Core Logistics previously owned by Federal Management  
24 Solutions?

25 A. It was previously owned by the same owner as

STEVEN BRICE WIBRACHT GARCIA  
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1 Federal Management Solutions.

2 Q. And when you received Core Logistics, were you  
3 at that point a hundred percent owner of Core Logistics,  
4 or I know there were two or three other owners at times,  
5 so --

6 A. Twenty-five percent.

7 Q. And I know we've discussed this a little bit  
8 at some other --

9 At that point, when you were bought out,  
10 what was the ownership structure of Core Logistics,  
11 coming out of the buy-out, that is?

12 A. When I was bought out?

13 Q. When you were bought out of Federal Management  
14 Solutions and you acquired an ownership in Core  
15 Logistics.

16 A. There was four partners.

17 Q. Tell me who each one is and how much each one  
18 owned.

19 A. Steven Wibracht, Glen Boltinghouse, Michael  
20 Wibracht, Raymond Jenkins, and they were all 25.

21 Q. Now if I remember correctly from one of the  
22 meetings of creditors, Mr. Jenkins, did you buy  
23 Mr. Jenkins out of his 25 percent?

24 A. Yes.

25 Q. And what did you pay him for his 25 percent?



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1 A. Fifteen or twenty thousand dollars.

2 Q. So at that point, you owned 50 percent, your  
3 brother, Michael, owned 25 percent and Mr. Boltinghouse  
4 owned the other 25 percent, correct?

5 A. Yes.

6 Q. And when did you acquire the additional  
7 percentage from Mr. Jenkins?

8 A. I don't remember the date.

9 Q. I mean, did you all operate for a year or two  
10 together or was it a month later he was out?

11 A. It was a fairly short period of time.

12 Q. All right. And Core Logistics, what did Core  
13 Logistics do?

14 A. Site work.

15 Q. And I'm not a construction guy so I apologize  
16 if there's some things I ask that kind of sound stupid  
17 or I don't understand how it works.

18 Is Core Logistics typically a  
19 subcontractor on a bigger project or is Core a general  
20 that hires other people?

21 A. Subcontractor.

22 Q. So you were an owner of Core Logistics from  
23 2013 to 2017, correct?

24 A. Yes.

25 Q. Was the company successful during that time?

STEVEN BRICE WIBRACHT GARCIA  
IN RE: WIBRACHT

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1 A. No.

2 Q. And why do you say no?

3 A. There's too much debt.

4 Q. What was the problem with the company?

5 A. We couldn't service the debt load.

6 Q. What kind of debt load did you have?

7 A. Equipment.

8 Q. So you had monthly payments on equipment that  
9 you couldn't make the payments on?

10 A. Yes.

11 Q. Is this because you couldn't get enough  
12 business or you had to price yourself too low on jobs,  
13 or what was the reason?

14 A. Culmination.

15 Q. And when you were working for Core, were you  
16 taking a salary?

17 A. Yes.

18 Q. What was your salary?

19 A. It was, when we started, it was monthly. It  
20 varied throughout the years.

21 Q. How did you set what your salary would be?

22 A. In the beginning, it was real easy. It was  
23 zero. I mean, just like any other -- I mean, you do  
24 what you can do to try to figure it out.

25 Q. I mean, it's one thing if you took out

STEVEN BRICE WIBRACHT GARCIA  
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1 whatever money you could take out versus whether you  
2 were drawing, you know, \$2000 a week or \$4000 a week, or  
3 whatever the number might be.

4 Were you receiving a steady paycheck at  
5 any time from Core Logistics?

6 A. Yes.

7 Q. And during that time, you know, what was your  
8 salary set at?

9 A. Approximately a hundred K annual.

10 Q. What was your role with Core Logistics?

11 A. Owner.

12 Q. On a day-to-day basis, what did you do?

13 A. Everything. I mean, managed the finances,  
14 managed the operations and try to -- you know, business  
15 development.

16 Q. Was your brother involved in the company?

17 A. He was 25 percent owner.

18 Q. And did he have a day-to-day involvement?

19 A. No.

20 Q. How about --

21 MR. SEIDLER: Sorry. I didn't hear that.

22 A. No.

23 Q. Did he draw a salary?

24 A. Yes.

25 Q. Similar to yours or different?

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1 A. Correct. Was.

2 Q. Was, okay. Something didn't work out on that  
3 job, is that right? I couldn't tell from the story  
4 exactly what happened. It didn't make sense.

5 A. The job started.

6 Q. Okay.

7 A. And the funding fell apart.

8 Q. So when you say that you got them a job, does  
9 that mean you a made an introduction from Brown to  
10 Cadence McShane?

11 What does that mean you got them a job?

12 A. Construction is a relationship driven  
13 business.

14 Q. Uh-huh.

15 A. Brown was awarded the site and the utilities  
16 on the job. Core couldn't qualify financially to do  
17 that job.

18 Q. And I'm guessing this must have been a pretty  
19 big job? I mean, to pay you \$45,000, this would have  
20 been a much larger project.

21 How big a project are we talking about  
22 here?

23 A. I don't remember the magnitude of the site and  
24 utility portion. It was several years ago.

25 Q. The \$45,000 you were paid, is that common in

STEVEN BRICE WIBRACHT GARCIA  
IN RE: WIBRACHT

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1 Q. Let me turn to Exhibit 9, please.

2 Do you recognize this document?

3 A. Yes.

4 Q. This is a document titled Personal Financial  
5 Statement -- or tell me what it is.

6 A. It's a loan document that was filled out to  
7 try to secure a small business loan for Core Logistics.

8 Q. And it's dated October 13, 2016, right?

9 A. Yes.

10 Q. Were you able to get a small business loan  
11 from this loan document?

12 A. The SBA denied the loan.

13 Q. Now I'm looking at the various numbers on  
14 here.

15 \$50,000 in cash on hand, then it talks  
16 about a million dollars in stocks and bonds. Do you see  
17 that?

18 A. Yes.

19 Q. What does that refer to?

20 A. That was reflective of an approximate  
21 valuation of --

22 MR. SEIDLER: Flip over to --

23 MR. EPSTEIN: Well, let him answer the  
24 question.

25 A. A valuation of 50 percent ownership, 50

STEVEN BRICE WIBRACHT GARCIA  
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1 percent of Core Logistics.

2 Q. How did you come up with that million dollar  
3 valuation?

4 A. Nothing scientific.

5 Q. Five months later, in March of 2017, you gave  
6 away your interest in Core Logistics for no  
7 consideration, no money.

8 MR. SEIDLER: Objection as to form.  
9 You've mis-characterized what the transfer document  
10 says.

11 There was a consideration there and there  
12 is a monetary consideration as well. If you can  
13 re-phrase it.

14 MR. EPSTEIN: Are you talking about for  
15 \$20 or am I missing something?

16 MR. SEIDLER: That is consideration and  
17 the assumption of millions of dollars worth of debt,  
18 that is consideration, so that's not giving away.  
19 Transfer is a better word.

20 Q. Five months -- And non-pejorative, perhaps  
21 that's the word.

22 Five months later, you transferred your  
23 interest for \$20, in Core Logistics for \$20.

24 In October, you said you valued that  
25 interest at a million dollars. Did anything change

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1 during those five months?

2 A. Yes.

3 Q. What changed?

4 A. The ten year note to refinance all the  
5 equipment didn't go through. SBA denied it. We ran out  
6 of work. We didn't have work for -- we didn't have any  
7 real work for 2 1/2 months.

8 And to clarify for the record, I didn't  
9 transfer my interest for \$20. I transferred my interest  
10 for complete indemnity from all of the debt, which was  
11 over a million dollars from Komatsu, which was \$300,000  
12 from Texas Capital. There was lots of changes.

13 Q. But at this point, you valued your interest,  
14 in October of 2016, at a million dollars, which would  
15 indicate that you thought it was --

16 A. Based on a cash flow statement. Based on a  
17 cash flow of taking a three year note, three year 1.4  
18 million dollar to a ten year amortization, which would  
19 have freed up somewhere in the neighborhood of 50 to  
20 sixty thousand dollars a month, that our bank told us we  
21 were approved for, but the SBA came back after and  
22 denied the loan.

23 Q. That cash flow statement, does that exist  
24 somewhere?

25 A. I'm sure Core has them.

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1 Q. Do you have it personally?

2 A. No. I'm no longer owner of Core. I don't  
3 have access to the records.

4 Q. And on the bottom of this page is \$175,000  
5 other personal property.

6 Do you know what that is?

7 A. Sure. I mean, that was, I had watches, guns;  
8 you know, everything that I've stated. You guys have  
9 copies of all that stuff that was sold or liquidated.

10 Q. I'm just trying to figure out, in this list of  
11 other items on the second page, DBTR 444, some I see  
12 vehicles, but I assume the vehicles are in that \$253,000  
13 of vehicles, so I'm trying to figure out, does that mean  
14 the firearms, the jewelry, the gold and silver bullion,  
15 that that was worth \$175,000?

16 A. I didn't go get an appraisal on it. It's just  
17 filling out a loan document to the best of my knowledge,  
18 putting down -- This was a personal financial --

19 MR. SEIDLER: Just answer his question.  
20 So you're asking about all the entries under number 5,  
21 whether they were worth \$175,000?

22 Q. Not whether all of them are worth it, because  
23 some of them are vehicles; whether the first four are  
24 worth -- is that where the \$175,000 came from?

25 A. I don't recall.



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1 project was?

2 A. Frankel Family Trust.

3 Q. When did you start working for Brown  
4 Excavation?

5 A. Sometime after I left Core. I don't know the  
6 date, my start date.

7 Q. So that's something in 2017, correct?

8 A. Correct.

9 Q. And remind me what you do for Brown.

10 A. Operations, business development.

11 Q. In June of 2016, we see a check deposited into  
12 your Bank of America account for \$37,000 for Brown  
13 Excavation made out to you.

14 Do you know what that was for?

15 A.

16 MR. SEIDLER: Can you put it closer?

17 MR. EPSTEIN: Yes.

18 A. No, I don't remember.

19 MR. SEIDLER: Do you want to mark that as  
20 an Exhibit, and we'll find out?

21 MR. EPSTEIN: We'll mark that as Exhibit  
22 15, identified as BOA 39.

23 (Deposition Exhibit 15 marked for  
24 identification.)

25 Q. How would you find out, go about -- I mean,

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1 \$37,000 is a significant amount of money, I would  
2 assume.

3 Is that a significant amount of money to  
4 you?

5 A. Today.

6 Q. In June of 2016, was that a significant amount  
7 of money to you?

8 A. Sure.

9 Q. How would you go about figuring out why Brown  
10 Excavation paid you personally \$37,000?

11 A. I can look at the bank statement. I mean,  
12 there's something, I mean, there's something to it.

13 Q. All right. Well, if you come up with an  
14 answer afterwards, would you let Mr. Seidler know.

15 A. Sure.

16 MR. SEIDLER: We can leave a space in the  
17 2004 exam, and when you get it to read and sign, you'll  
18 figure out what that's for, even if you have to ask  
19 Brown.

20 A. Yes.

21 MR. EPSTEIN: I assume that Travelers is  
22 going to be taking a 2004 exam at some point. We can  
23 use that time to follow up on a question like this.

24 MR. SEIDLER: No, he'll find out for you.

25 MR. EPSTEIN: Right. If we need it on

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1                   If you turn to page 31 of 39. I'm sorry,  
2 it looks like, I'm sorry, 30 of 39, you have Dury's  
3 guns, \$23,000.

4                   MR. SEIDLER: Your question had to do  
5 with \$75,000 charged on Core's credit card to Dury's?

6           Q.     \$75,000 --

7                   MS. KILLIAN: 11015 is Core; the 41004 is  
8 AmEx, American Express.

9           Q.     So on American Express cards from October,  
10 2015 through May of 2017, mainly on the American Express  
11 card in Erin Wibracht's name, which I think you  
12 testified you have a credit card to use, right?

13                   MR. SEIDLER: That's a yes?

14           A.     Yes.

15           Q.     And the first four were on the Core American  
16 Express card. So we showed \$75,000 worth of purchases  
17 at Dury's Guns.

18                   MR. SEIDLER: On all the cards?

19                   MR. EPSTEIN: Yes, all together.

20                   MR. SEIDLER: Okay. You made it sound  
21 like he bought \$75,000 worth of gun stuff for himself,  
22 where, if the Core card was being used, you might want  
23 to distinguish.

24           Q.     Absolutely. So tell me, in October, November  
25 of 2015, we see about \$16,000 of purchases from Dury's

STEVEN BRICE WIBRACHT GARCIA  
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1 Q. Were those purchases for Core, were they Core  
2 Logistics or for you and Mr. Boltinghouse?

3 A. There were several gun purchases that were  
4 done for clients. Specifically a model builder, he  
5 liked to be paid in firearms.

6 Q. So you'd buy --

7 A. Subcontractor.

8 Q. Okay.

9 A. And he said instead of paying him \$1200, buy  
10 me this, buy me this.

11 Q. And again, I'm going to tell you I'm not an  
12 expert. I mean, you go to Dury's Guns, there's a  
13 background check on an individual buying it, but if Core  
14 Constructors is buying it, how does that work?

15 A. I do the background check.

16 Q. It's your background check?

17 A. Sure.

18 Q. Okay. And then how do you go about  
19 transferring that gun to somebody?

20 A. Hand it to them.

21 Q. Hand it to them. Okay. And that's what you  
22 did in this case, you handed it to one of your  
23 subcontractors?

24 A. Yes. Giving a gun as a gift is a common  
25 occurrence.

STEVEN BRICE WIBRACHT GARCIA  
IN RE: WIBRACHT

February 22, 2018  
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UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION

IN RE:

STEVEN BRICE WIBRACHT and  
ERIN MICHELLE WIBRACHT

CASE NO. 17-5230-RBK

REPORTER'S CERTIFICATION

DEPOSITION OF STEVEN WIBRACHT

FEBRUARY 22, 2018

I, Lynne M. Homan, Certified Shorthand Reporter in  
and for the State of Texas, hereby certify to the following:

That the witness, STEVEN WIBRACHT, was duly sworn by  
the officer and that the transcript of the oral deposition is  
a true record of the testimony given by the witness;

That the deposition transcript was submitted on  
\_\_\_\_\_ to the witness for examination,  
signature and return to me by \_\_\_\_\_;

That pursuant to information given to the deposition  
officer at the time said testimony was taken, the following  
includes counsel for all parties of record:

Mr. Martin Seidler, Attorney for Debtor,

Mr. Kevin Epstein, Attorney for U.S. Trustee,

Ms. Jennifer Kneeland, Attorney for Travelers Casualty  
and Surety Company;

I further certify that I am neither counsel for,